

Defaults

How DC default funds are adapting to remain fit for purpose

Investment management

How pension schemes are measuring and justifying the value of in-house investment

Stewardship

The complexities and inconsistencies affecting pensions' stewardship

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April 2026

PENSIONS **Age**

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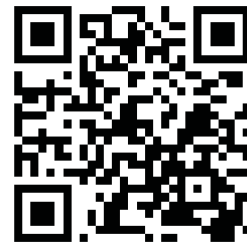
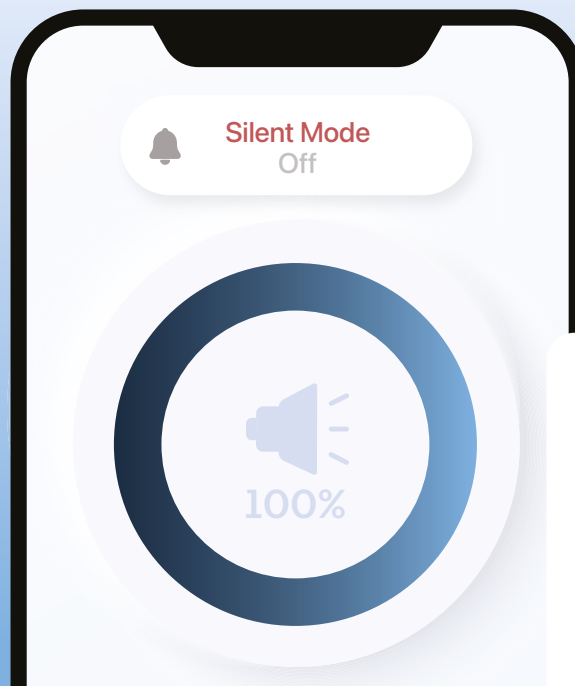
A difficult landing

The concerns surrounding preparation for the value for money framework

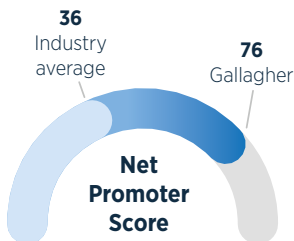
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Editorial Comment

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Upon my return to *Pensions Age* as news editor, the first thing that struck me was the amount of change going on in and around the pensions industry. The pensions sector is often lumbered with the lazy assumption that the pace of change is like an iceberg, slowly drifting along without much reform; but this couldn't be further from the truth.

Prior to my 18 month-long, and still ongoing, foray into wealth management editorship, the speed of change in the pensions industry was never slow, unlike many believed. But I feel the reform agenda has accelerated significantly during my time away.

Driven by the Pension Schemes Bill (PSB), which has just completed its third reading in the House of Lords [*see page 10*], pension policy is seeing a huge overhaul across the board.

DC scheme consolidation is well underway and reaching new heights with the upcoming introduction of mega funds, as multi-employer DC schemes look to meet scale requirements outlined in the PSB [*see page 14*].

New investment expectations, advice rules and targeted support [*see page 15*], progress on CDC and pensions dashboards, and value for money requirements all add to the tectonic shift in the DC space.

Meanwhile, in DB, movements on surplus release, endgame options, strong funding levels, and the professionalisation of trustees have transformed the sector from one of deficit recovery to one focused on long-term strategy.

The Local Government Pension Scheme (LGPS) is also undergoing a period of reform, with measures included in the PSB for further consolidation, strengthened governance, and new investment expectations, all while having record-high funding levels.

All of this has been happening in the space of a year, and while I was delighted to be back on the pensions beat, it has been quite overwhelming getting to grips with a landscape that has changed so

much in such a short space of time.

This is all hard enough to keep up with as a journalist, so I can't imagine it's easy for those working in the industry, trying to juggle their day jobs with the evolving landscape unfolding around them.

While change is often a good thing, and it appears that the majority of reforms are in members' best interests, questions have to be asked about the burden being placed on pension professionals to deal with the tidal wave of changes.

From administrators to employers, trustees to advisers, law firms to investment analysts, adjusting to new rules at this scale, and trying to make heads or tails of complex regulations and policy, can make the strain on resources, time, and brainpower almost paralysing.

This is all in the shadow of what matters most: members. Everyone in the pensions industry works hard to ensure the decisions they make are to the benefit of pension savers, whether that's in DC, DB, LGPS, or personal pensions. Even in times of great overhaul, as we are seeing at the moment, member outcomes must take precedence.

All pension professionals working to ensure members are protected during this time deserve kudos, and it's important to remember that everyone you interact with in the sector is spinning plates to stay on top of the multitude of changes, including us journalists!

While the reforms are increasing workloads, it's undoubtedly an exciting time in the pensions industry, and this hard work will not be wasted. So, I'm thrilled to be back and reporting on the sector that provides the backbone to people's later years.



Jack Gray, News Editor

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A difficult landing

Policymakers are taking a long time to finalise the value for money (VFM) framework for DC schemes. But that may be a wise move, as the framework needs to function alongside so many other competing regulatory and political priorities. David Adams reports on industry preparations for VFM implementation, and considers how it might influence the pensions landscape in the longer term

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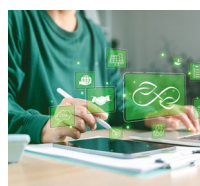
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fund to have it last their lifetime, and that their at-retirement spending will form a 'U-shaped' curve, of spending a lot initially, then dropping down, before rising again as health needs occur. But do these maxims represent the reality of what's occurring?

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Dateline - March 2026

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

➤ **2 March** Phoenix Group Holdings plc changed its name to **Standard Life plc** and has been listed on the London Stock Exchange under the ticker of SDLF.

➤ **2 March** The Pensions Regulator (TPR) called on trustees to consider saver cohorts based on contribution patterns when designing future default pension strategies.

➤ **2 March** The Financial Conduct Authority (FCA) opened its authorisation gateway for targeted support, with firms now able to apply for permission to provide recommendations under the new regime.



➤ **3 March** Chancellor, Rachel Reeves, delivered her **Spring Statement**, in what was an expectedly low-key event with no mention of pension policy.

➤ **4 March** TPR encouraged trustees and employers to actively consider their DB scheme endgame strategies, as a 'step change' in funding levels is transforming the DB landscape.

➤ **5 March** An increase in decumulation options offered by DC schemes highlighted a 'fundamental shift' from a savings system to a pensions system, and smaller schemes should act or consolidate, according to TPR.

➤ **5 March** Speaking at the TUC Pensions Congress 2026, **Pensions Minister, Torsten Bell**, said the government will continue to drive consolidation in the pensions sector as smaller schemes face higher costs, governance challenges, and a limited ability to invest in a wider range of assets.

➤ **9 March** The Pension Scams Action Group welcomed the government's launch of a new fraud disruption unit as part of a wider strategy to tackle fraud across the UK.

➤ **9 March** The Department for Work and Pensions (DWP) published a paper detailing its policy principles in relation to the scale and consolidation measures for multi-employer DC schemes, which form part of the Pension Schemes Bill.

➤ **9 March** TPR published a statement aimed at supporting multi-employer DC scheme trustees in meeting the new scale requirements set out in the Pension Schemes Bill.

➤ **10 March** The FCA published a report outlining its pension priorities for the year ahead, as it looks to keep pace with an evolving market.

➤ **11 March** Bell confirmed that legislation to enable retirement collective defined contribution (CDC) schemes will be brought forward later this year, as part of the government's wider pensions reform agenda. This was one of a number of industry updates shared at the Pensions UK's Investment Conference 2026, which also covered climate concerns and superfund updates.



➤ **11 March** The proportion of employees with a workplace pension rose slightly between 2021 and 2024, from 79 per cent to 82 per cent, with participation trends stabilising following years of growth after the introduction of auto-enrolment, figures from the **Office for National Statistics** showed.

➤ **11 March** TPR issued a scam alert, calling on the industry to take action to protect members' savings amid an increase in impersonation fraud.

For more information on these stories, and daily breaking news from the pensions industry, visit [pensionsage.com](https://www.pensionsage.com)

➤ **12 March Shadow Pensions Minister, Helen Whately**, warned that mandating pension scheme investment would represent a “quiet power grab” by the government and a “tectonic shift” in the UK pensions system.



➤ **16 March The DWP** announced the launch of a working group designed to help the government develop guidance to support pension trustees’ investment decision making.

➤ **17 March** Master trusts are dominating the DC pensions landscape as consolidation continues, with the number of UK DC schemes falling by 15 per cent to 790 in 2025, analysis from **TPR** showed.

➤ **17 March** Speaking at the **Association of Member-Nominated Trustees** Spring Conference 2026, Aviva wealth policy director, Emma Douglas, said the UK pensions industry is facing a “pivotal time” as a wave of policy changes, regulatory developments and new initiatives reshape the landscape.

➤ **18 March** Unused pension pots will come into scope of inheritance tax from April 2027, after the **Finance (No. 2) Bill** completed its passage through parliament and received Royal Assent.

➤ **20 March** **TPR** published revised capital reserve guidance aimed at unlocking millions of pounds of investment for innovation as the DC master trust market continues to grow.

➤ **20 March** The House of Lords voted to remove the government’s reserve power included in the **Pension Schemes Bill** to direct the investments of pension schemes that signed the Mansion House Accord if they do not meet their commitments.

➤ **23 March** **TPR** called on the industry to innovate to deliver a modern pension system, aligned behind a shared vision of generating a sustainable income for savers.

➤ **24 March** The **House of Commons** removed amendments to the NI Contributions (Employer Pensions Contributions) Bill that would have raised the proposed NI relief cap on salary sacrifice for pension contributions and excluded basic rate taxpayers from the measure.

➤ **24 March** **WTW’s LifeSight** master trust confirmed its intention to launch a retirement collective DC solution, subject to the introduction of a supporting UK regulatory framework.

➤ **25 March** The **FCA** published a consultation on updated advice rules, seeking views on how to make it easier for firms to give simplified forms of personalised financial advice.

➤ **26 March** **TPR** published guidance on section 37 issues arising from the **Virgin Media Ltd v NTL Pension Trustees** case.

➤ **26 March** The **Pension Schemes Bill** completed the third reading in the House of Lords and is set to return to the House of Commons for amendment consideration on 15 April.



➤ **27 March** **Athora Holding Limited** completed its acquisition of Pension Insurance Corporation (PIC) Group, including its wholly owned subsidiary PIC.

➤ **30 March** The first **own risk assessment deadline** “exposed gaps” in pension schemes’ internal controls, with trustees urged to use the deadline as an opportunity to strengthen governance rather than treating it as a compliance exercise.



Lords vote to remove government's 'mandation' power from PSB

✓ **The government aimed to assuage concerns over the Pension Schemes Bill's investment powers, while the bill completed its third reading in the House of Lords**

The House of Lords voted to remove the government's power to direct the investments of pension schemes that signed the Mansion House Accord if they do not meet their commitments.

The reserve power had been included in the Pension Schemes Bill (PSB) and enabled the government to drive certain private pension schemes' investments into government-specified assets.

The PSB has now completed the third reading in the House of Lords and is set to return to the House of Commons for amendment consideration on 15 April.

The third reading is designed to give peers a chance to 'tidy up' the bill to ensure it is effective and workable by

making small changes.

Members of the House of Lords concluded the third and final day of the report stage on 23 March, with amendments added during the report stage relating to the impact of consolidation, climate risks, master trust scale requirements, surplus distribution, fiduciary duty, and value for money, among others – along with the decision to remove the government's mandation powers.

When the bill is returned to the Commons on 15 April, the amendments will be discussed and voted on before the bill can reach Royal Assent and become law.

The marshalled list of amendments for the bill runs to more than 30 pages,

while the most recently published PSB, as amended, runs to over 170 pages.

"This is a fundamentally important bill, and I am pleased that we have agreed several amendments to address some of the concerns that together we have identified," said House of Lords member, Baroness Deborah Stedman-Scott.

"The government now has an obligation to return with clear answers to the concerns we have raised, including in particular: the Local Government Pension Scheme and whether it is truly fit for purpose for its members; whether the proposed consolidation timetable is workable in practice for ordinary working people; whether the scale requirements risk undermining innovative and high-performing schemes; and the scope, rationale and implications of the mandation power – there was a resounding view that it should be removed entirely.

"This bill contains a number of significant flaws and shortcomings. Your Lordships' House has offered the government a clear opportunity to make necessary and timely improvements.

"I very much hope that we will continue to work together with the minister and her colleagues in the department to take that opportunity."

"The Lords' amendment to remove the power in the PSB for government to direct how retirement savings are invested is a win for savers," said Pensions UK executive director of policy and advocacy, Zoe Alexander.

"Having the power on the statute book would expose millions of workers' retirement savings to political cycles and undermine the duty of pension trustees to act at all times in the interests of savers.

"Pensions UK's preferred method to drive investment in UK markets is a voluntary approach supported by improvements to the investment environment.

"The Mansion House Accord, a commitment by 17 of the largest UK

pension providers to back unlisted UK and global investment opportunities where they are in the best interests of savers, shows there is already strong support.”

Pensions Management Institute (PMI) chief strategy officer, Helen Forrest Hall, added: “Mandating how schemes invest risked exposing savers’ pensions to political influence and weakening trustees’ fiduciary duty to act solely in members’ interests.

“Removing the power helps protect the independence and professionalism that underpin good outcomes for savers.

“There are many positive measures in the PSB which offer meaningful opportunities to strengthen the system.

“The PMI urges the government to focus now on their successful implementation, and we look forward to working with them and industry to achieve this.”

When the bill returns to the House of Commons for consideration in April, the government can choose to reinstate the mandation power. It has previously stated that it would not be removing the power from the bill.

However, the government has recently tried to assuage concerns from the industry and parliamentarians over reserve powers included in the PSB.

In the House of Lords, Baroness Ros Altmann asked what assessment had been made of the need for ministers to possess powers to direct investment allocations or make investment in government-directed assets a condition for auto-enrolment schemes.

In response, Minister of State for Work and Pensions, Baroness Maeve Sherlock, said the bill included a reserve power on asset allocation that was designed as a backstop to Mansion House Accord commitments, and that the government did not expect to use this power.

“Were this power ever exercised, schemes that cannot meet the requirements without causing material

financial detriment to their members will be able to apply for an exemption under the savers’ interest test,” Sherlock continued.

“The power is time-limited, and subject to consultation, parliamentary approval, and robust safeguards.”

Altmann stated that, if the government’s main argument for including the powers was it did not expect to need to use them, and would only do so if schemes decided they did not believe it was prudent to achieve the allocations the government wanted, then she had “even greater concerns” about the measures.

“I would urge the government to think about overriding the trustees’ decisions about what assets to invest in”

“I would urge the government to think about overriding the trustees’ decisions about what assets to invest in,” she said.

“In particular, the government is trying to take unlimited powers in this bill to prescribe a percentage, we don’t know what that percentage might be, to invest in assets, we don’t know which assets they will actually be.

“Does the government really believe that it knows better than the investment industry how pension schemes should invest?”

Sherlock again highlighted that the power was being taken as a reserve power to back the “voluntary, industry-led Mansion House Accord”.

She warned there was always a risk that, for a “small competitive advantage”, a signatory may want to try and separate from the commitments.

“The reserve power is signalling very clearly to the industry: ‘This is the direction of travel, so let’s stay with it,’” Sherlock added. “All we are doing is backstopping that.”

Baroness Deborah Stedman-Scott argued that the government saying the power was just a backstop to the Mansion House Accord was a “gross misrepresentation”.

“The PSB goes far beyond that, and gives ministers sweeping authority to mandate pension investments to whatever level they choose,” she said.

“The state should not be directing the allocation of private pension assets. This policy risks undermining confidence in the entire auto-enrolment system, which was built on the promise that people’s savings would be invested in their interest, not the government’s. Will the government remove this dangerous and unjustified power from the bill?”

Responding, Sherlock said: “There is a short answer, my Lords; the short answer is no. The long answer is that the government has made it abundantly clear what the purpose of the reserve power is, and it’s to backstop the Mansion House and trustee commitments.”


Sherlock stressed that the power did not direct schemes into specific assets or projects, but set a broad framework aligned with the Mansion House Accord commitments.

“Trustees retain full discretion over individual investment selection and the balance between asset classes,” she continued.

“The role of a pension trustee has always been to exercise judgement subject to constraints, and nothing in these provisions changes that.

“In terms of the Mansion House signatories, there is a very simple way for any Mansion House signatories to make sure this power is never used, and that is to keep to the voluntary commitments they have already made.

“Because, if that happens, there will be no need for the power ever to be used, the government will not be bringing it in, and everybody’s happy.”

 **Written by Jack Gray**

Pensions reform agenda now moving into ‘implementation’ stage – Bell

✓ **Bell also confirmed that retirement CDC legislation is to be introduced later this year**

Pensions Minister, Torsten Bell, has suggested that implementation, rather than further major policymaking, should now be the next stage of pensions reform, as the government moves to deliver on measures already set out in the Pension Schemes Bill.

Speaking at the Pensions UK Investment Conference 2026, Bell acknowledged that the volume of change in the pensions sector had been significant, but argued that the focus should now shift to putting those reforms into practice.

“I would say, yes, we probably need more implementation rather than the big policy-making phase,” he said.

Bell noted that the Pension Schemes Bill is expected to move towards Royal Assent “over the course of the next few weeks”, with the government’s next steps centred on ensuring there is a basis for implementation.

He suggested that a large part of that work would fall to The Pensions Regulator (TPR), pointing to consultations due through “mid-summer to October” to help make reforms operational.

Bell also acknowledged concerns about the pace and sequencing of change, accepting that this was an issue for the government, regulators, and the industry.

However, he argued that recent activity should be seen in the context of a much longer period in which reforms have moved too slowly.



“My overall view is to look at the big picture – have we been faster in the last year? Don’t take a look at the past year. Look at the past 20. Have we been fast? No,” he stated.

He added that there had been a consensus for at least a decade that the Local Government Pension Scheme (LGPS) should move to a greater level of pooling, arguing that the sector’s “self-assessment should not include the word fast”.

In his speech, he stressed that the government had sought to reduce uncertainty over the past year by providing “more clarity about the long-term direction of our sector”.

He pointed to “a strong consensus that has been building for many years”, including agreement that now is the time to build on the success of automatic enrolment, that people should be saving into bigger and better pension schemes,

and that schemes should be investing in a wider range of productive assets.

He added that turning “latent consensus into action” had driven the government’s activity over the past year, including the publication of the final report of the Pensions Investment Review, the introduction of the Pension Schemes Bill, and the revival of the Pensions Commission.

On the commission, Bell said its work would represent the “next phase” once implementation of the Pension Schemes Bill is underway.

He reiterated the government’s commitment to delivering the Pensions Commission in early 2027, while warning against falling back into the “slow pace” that has characterised parts of pensions policymaking in the past.

“As for another phase coming, let’s get on with implementing the Pension Schemes Bill,” Bell continued.

“There’s a lot of work to be done. We do need to get the details right. There’s absolutely what we are focused on doing. And then the next phase will be the Pensions Commission.”

Bell also confirmed that legislation to enable retirement collective defined contribution (CDC) schemes will be brought forward later this year, as part of the government’s wider pensions reform agenda.

Speaking about the next phase of CDC development, Bell said the government intended to introduce decumulation CDC provision “later this year” [*expected to be in August*], extending the model beyond accumulation to provide collective income solutions in retirement.

The move forms part of the Department for Work and Pensions’ (DWP) ongoing work to expand the CDC framework and broaden the retirement options available to defined contribution savers.

✎ **Written by Callum Conway**

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DWP outlines routes for multi-employer DC schemes to meet PSB scale measures

TPR publishes statement to help DC master trust trustees meet the Pension Schemes Bill's scale requirements

The Department for Work and Pensions (DWP) has published a paper detailing its policy principles in relation to the scale and consolidation measures for multi-employer defined contribution (DC) schemes, which form part of the Pension Schemes Bill (PSB).

It noted that the paper provided an overview of the government's direction of travel ahead of a full consultation on regulations, and that it did not replace formal consultation or anticipate the final regulatory framework.

The PSB is set to introduce a requirement for multi-employer DC schemes to operate a 'main scale default arrangement' (MSDA) that holds at least £25bn of assets from 2030 to qualify to receive auto-enrolment (AE) contributions.

The MSDA is a default investment proposition for members who have not made an active investment choice.

Schemes that are operated by the same provider, and use a common investment strategy and meet certain conditions, will be able to hold a combined MSDA, while unconnected schemes will need to meet the scale requirement individually.

The government will consult on which assets can count towards the MSDA threshold, and regulations will outline the adjustments and exclusions relevant to the calculation.

This was the primary route to transition to the new scale requirements, but the paper also outlined two additional routes for schemes.

The first additional route was the transition pathway, which aimed to give existing smaller schemes more time to reach the full scale requirement, while the second was the new entrant pathway, which allowed schemes to enter the market and grow to scale while offering a "genuinely innovative proposition".

"These pathways aim to balance the need for a strong, consolidated market with the benefits of innovation, competition and orderly transition," the DWP stated.

The transition pathway is a temporary, time-limited route that allows eligible schemes to continue receiving AE contributions while progressing towards full scale compliance.

It is aimed at those that cannot reach £25bn by 2030 but are on course to do so by 2035.

Eligible schemes will need to hold at least £10bn in their MSDA by 2030, be able to demonstrate a 'credible plan' to meet the full scale requirements by the end of the transition period, and meet further conditions that will be set out in regulations, which are likely to include governance and investment capability criteria.

To take the transition pathway, schemes will need to apply to the appropriate regulator prior to the scale measures coming into force, and the pathway will operate for five years once approved.

Meanwhile, the new entrant pathway will require schemes to demonstrate 'innovative product design', aiming to ensure that new entrants make a "distinct



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and truly new contribution to the market", rather than replicating existing offerings.

To qualify for new entrant pathway relief approval, schemes must have no existing members; demonstrate 'strong potential growth' that is sufficient to meet the scale requirement; offer an innovative product design that provides a materially different offering compared to existing market participants; and meet further conditions set out in regulations, which are expected to include evidence of a credible plan to meet scale and to develop investment capability.

Following the DWP paper's publication, The Pensions Regulator (TPR) published a statement outlining how schemes can demonstrate a credible growth plan.

TPR urged DC master trust trustees to evaluate their potential to grow to scale, develop evidence-based projections, and review their operational readiness for the upcoming requirements.

Its analysis showed there was "significant momentum" and growth potential in the master trust sector, and the regulator called for caution from advisers and employers that may be questioning which master trusts were not yet at scale and would be able to meet scale within the timeframe.

TPR's statement looked to support a 'smooth' transition to scale, aiming to reduce uncertainty and help trustees, employers, and advisers understand the types of analysis and preparation that will be relevant when the requirements come into force.

Written by Jack Gray

FCA consults on simplifying pension and investment advice rules

✓ FCA also opens its targeted support authorisation gateway



The Financial Conduct Authority (FCA) has published a consultation on updated advice rules, seeking views on how to make it easier for firms to give simplified forms of personalised financial advice.

Its *Simplifying the Pensions & Investment Advice Rules* consultation aims to help more people get financial advice for important decisions, working alongside targeted support to enable consumers to access a range of advice services.

It has two main objectives: to consolidate, simplify and reframe advice rules by modernising and clarifying regulatory requirements and reducing regulatory burden; and to review the FCA's existing rules relating to advisers' ongoing services.

The reforms will look to establish a regulatory framework for advice to support consumers now and in the future.

Simplified advice is aimed at those with more 'straightforward' financial needs that do not require a full assessment of their financial

circumstances.

The FCA noted that while firms were already able to provide more simplified forms of advice, many do not offer it.

Its consultation looked to encourage innovation and open access, proposing 'small' changes while maintaining

appropriate consumer protections to revitalise the sector.

The regulator proposed simplifying and consolidating the suitability framework into a single set of common rules and expectations.

Existing flexibilities in suitability rules will be clarified, with the expectation that advisers will consider 'sufficient' information.

It also proposed rebalancing the role and purpose of suitability communications to help firms make them concise, consumer focused, and proportionate.

The consultation outlined changes aiming to give firms greater flexibility in how they design and deliver ongoing advice services, including moving from a fixed annual suitability review to periodic reviews based on clients' needs.

The FCA added that it was seeking views about the future of trail commission payable to advisers, with the aim of modernising the rules and preventing potential consumer harm.

Qualification standards for advisers will remain unchanged, and the FCA did not propose any changes to the adviser

charging rules.

"For too long the support people need to make important financial decisions has been out of reach for many," said FCA deputy chief executive, Sarah Pritchard.

"A market that provides good quality, lower cost simplified advice alongside comprehensive financial advice and targeted support will better support people making decisions about their financial lives.

"We want to see more people getting supported, who aren't currently, and a market that innovates and offers tailored services to meet differing consumer needs.

"We welcome everyone's views on whether our proposals will achieve our aim of building firms' confidence to offer a wider range of advice and ultimately to help consumers navigate their financial lives."

The consultation closes on 22 May 2026.

The past month also saw the FCA open its authorisation gateway for targeted support, with firms now able to apply for permission to provide recommendations under the new regime.

The gateway has been opened ahead of the expected 'go-live' date of 6 April 2026, after which banks, pension providers, and other firms that have been authorised for targeted support can give suggestions aimed at groups of consumers with similar characteristics.

Targeted support aims to support consumers with making important decisions around their pensions and investments.

The FCA said it wanted authorised firms to be ready to offer the new service as soon as the rules come into effect.

It also hoped to see authorised firms taking advantage of the reforms by being 'bold' and providing support for their customers.

➤ **Written by Callum Conway**

Commons removes Lords' amendments to pension salary sacrifice bill amendments

✓ **The House of Lords amendments would have increased the salary sacrifice NI cap for pension contributions from £2,000 to £5,000, and excluded basic rate taxpayers from the measure**

The House of Commons has removed amendments to the National Insurance Contributions (Employer Pensions Contributions) Bill that would have raised the proposed National Insurance (NI) relief cap on salary sacrifice for pension contributions and excluded basic rate taxpayers from the measure.

In the 2025 Autumn Budget, the government announced plans for salary-sacrificed pension contributions above £2,000 will be treated as ordinary employee pension contributions in the tax system and therefore be subject to both employer and employee NICs.

The Office for Budget Responsibility (OBR) forecasted that this may raise £4.7bn in 2029/30 and £2.6bn in 2030/31.

As the bill made its way through the House of Lords, amendments were added that would have increased the salary sacrifice NI cap for pension contributions from £2,000 to £5,000, and excluded basic rate taxpayers from the measure.

While the pensions industry backed the House of Lords amendment, it remained against imposing any cap on salary sacrifice arrangements.

Other amendments approved by the Lords included a cap exemption for basic rate taxpayers.

"We are strongly supportive of amendments that exempt basic rate taxpayers from limits on using salary sacrifice arrangements, and raise the cap



"A higher cap ... would [protect] those who use salary sacrifice to reduce the cost of regular pension contributions but would still capture the government's target of higher earners who receive significant annual bonuses"

to £5,000," said Pensions UK executive director of policy and advocacy, Zoe Alexander, at the time of the Lords' amendment. "These amendments would reduce or remove the negative impacts of changes to salary sacrifice on the majority of savers.

Barnett Waddingham head of defined

contribution pensions, Mark Fitcher, welcomed the amendment, but warned that introducing a cap at any level risked adding unnecessary complexity for employers and confusion for savers.

However, in the Commons, the House of Lords amendments were overturned, with the reasoning for both being: "Because the Lords amendment would alter the financial arrangements made by the Commons, and the Commons do not offer any further reason, trusting that this reason may be deemed sufficient."

The bill will return to the House of Lords for further consideration, leading to a potential back and forth between the houses.

Commenting on the development, LCP partner and pensions tax specialist, Alasdair Mayes, said: "Our analysis shows the proposed £2,000 cap on NI relief for pension contributions will have a disproportionate impact on middle earners.

"In these uncertain times it's important that individuals save enough for their retirement and salary sacrifice has proved an effective incentive for them to do so.

"Whittling away at the tax incentives for pensions savings, whether through applying inheritance tax to pension savings or reducing tax relief risks creating another generation with insufficient savings. This will store up problems for future governments.

"The Office for Budget Responsibility has shown that nearly half of salary sacrifice is for bonuses rather than regular contributions from pay.

"This suggests that a higher cap such as £5,000 or exemption for basic rate taxpayers would be well targeted on protecting those who use salary sacrifice to reduce the cost of regular pension contributions but would still capture the government's target of higher earners who receive significant annual bonuses."

✎ **Written by Jack Gray**

Number of DC schemes falls by 15% in 2025 as assets rise

Consolidation within the DC market continues, with master trusts dominating the landscape



Master trusts are dominating the defined contribution (DC) pensions landscape as consolidation continues, with the number of UK DC schemes falling by 15 per cent to 790 in 2025, analysis from The Pensions Regulator (TPR) has shown.

The reduction in DC schemes last year was consistent with 2024's decline, when the number of DC schemes fell to fewer than 1,000 for the first time.

Almost all (92 per cent) DC scheme members were in master trusts in 2025, representing 30.1 million members.

DC scheme membership overall increased by 7 per cent year-on-year to 32.8 million in 2025.

TPR called on DC pension trustees to review whether their scheme presented

value for savers, as the market shifted towards fewer, larger schemes.

Its DC landscape report also showed that DC scheme assets continued to grow, rising from £205bn in 2024 to £249bn last year, an increase of 22 per cent.

Master trusts held £208bn, or 83 per cent, of total DC assets last year.

"People rightly expect to receive value from their hard-earned retirement savings," commented TPR executive director, strategy, policy and analysis, Richard Knox.

"As we move towards a market of fewer larger schemes, master trusts now dominate. We believe that larger schemes are better placed to deliver value for money, including stronger investment returns and better service.

"The current Pension Schemes Bill

will speed up market dynamics. In the new pensions world, we urge pension trustees of smaller schemes, in particular, to review their scheme today.

"Those that cannot match the stronger performers should consolidate out of the market and transfer savers to a better value scheme."

All the figures included in TPR's report refer to DC schemes with 12 or more members, and the scheme and membership numbers include hybrid schemes while the asset figures exclude hybrid schemes.

Commenting on the findings, Broadstone head of DC proposition, Kelly Parsons, said: "The latest data from TPR emphasises the rapid change undergoing the UK's DC market.

"The extent of the reduction in scheme numbers, combined with rising assets and member volumes, highlights how quickly provision is concentrating into a smaller pool of providers. Master trusts, in particular, continue to strengthen their position as the primary vehicle for workplace DC saving.

"In this environment, sub-scale schemes may face increasing pressure to consider strategic consolidation or partnerships to remain sustainable and meet member expectations.

"At the same time, the rising number of deferred members highlights a more complex membership profile, with individuals holding multiple pots.

"Schemes will need to prioritise effective engagement, data-driven insights, and member support to deliver meaningful retirement outcomes.

"For trustees and employers, the data serves as a timely reminder to review whether their current DC arrangements remain fit for purpose in a market that is becoming more concentrated, more competitive, and increasingly focused on delivering demonstrable value for members."

Written by Jack Gray

News in brief

Pensions Age summarises some of the latest news in the pensions industry, including the latest technology developments, de-risking deals and market changes...

Technology developments



In the past month, several updates from the pension industry

have been announced, including developments in technology:

- The Financial Conduct Authority opened its authorisation gateway for targeted support, with firms now able to apply for permission to provide recommendations under the new regime.
- The Money and Pensions Service put out a call for the industry to help sign

people up for the next phase of consumer testing of the MoneyHelper Pensions Dashboard.

- The Pensions Administration Standards Association launched the first instalment of a new four-part trustee-administrator lifecycle series, aimed at strengthening engagement and governance across pensions administration.
- The Society of Pension Professionals (SPP) expanded its educational video library with two new additions to its 'Beginner's Guides' and 'SPP Insights'

series. These new additions to its library focus on pension adequacy and the role of artificial intelligence in the pensions sector.

- Fintech Navro partnered with existence verification provider MM to help pension schemes prevent international pension overpayments to deceased members.
- The Government Actuary's Department launched a new online hub designed to help administrators of public service pension schemes access actuarial factors and related guidance.

De-risking momentum continues



The momentum in the de-risking market continued throughout Q1

2026, with March witnessing several significant transactions in the space:

- The Safeway Pension Scheme completed an £80m buy-in with Canada Life, insuring the benefits of over 350 deferred members and 1,450 pensioners.
- An unnamed UK pension scheme

completed a £105m full-scheme buy-in with Canada Life, securing the benefits of more than 1,800 members. The transaction will cover over 350 deferred members and more than 1,450 pensioners.

- The Pension and Life Assurance Plan of Godolphin Company Limited, sponsored by St Aubyn Estates, secured a £1.2m buy-in with Just Group using Iso's PenUltimate Micro framework.
- The Hille Ergonom Pension Scheme

wound up following a £4m buyout with Aviva, which resulted in a refund from the insurer. The transaction secured the benefits of 56 pensioners and 18 deferred members, who also benefited from surplus assets.

- The Panasonic UK Pension Plan completed a £140m bulk purchase annuity (BPA) deal with M&G, securing the pension benefits of around 650 members of the Panasonic UK Pension Plan for Panasonic Europe.

Forward looking



The past month saw further consolidation in the pension market, alongside several announcements

of future-oriented solutions:

- Phoenix Group Holdings plc changed its name to Standard Life plc and has been listed on the London Stock Exchange under the ticker of SDLF.

• Pensions UK appointed 21 industry experts to its policy committees as part of a refresh of its governance structure.

- Pensions for Purpose announced it has changed its name to Investors for Purpose, as it looks to reflect a wider range of institutional investors and organisations.
- Pan-European savings and retirement services group Athora Holding Limited completed its acquisition of Pension Insurance Corporation (PIC) Group,

including its wholly owned subsidiary PIC.

- WTW's LifeSight master trust confirmed its intention to launch a retirement CDC solution, subject to the introduction of a supporting UK regulatory framework.
- The Pension Scams Action Group, led by The Pensions Regulator, welcomed the government's launch of a new fraud disruption unit as part of a wider strategy to tackle fraud across the UK.



VIEW FROM TPR: Master trust capital reserving – updated expectations

Master trusts dominate the defined contribution landscape holding over £200 billion of assets for more than 30 million defined contribution memberships.

With this maturing landscape, TPR has reviewed its approach to ensure regulation continues to protect members while reducing unnecessary burdens and supporting economic growth.

This will enable some master trusts to unlock cash for investment by safely reducing the level of cash reserves they hold and instead meet capital requirements with a more efficient mix of assets. TPR

reviewed the reserving guidance as part of its commitments to government to reduce burden and support growth.

I urge all master trusts to familiarise themselves with the guidance and consider what this means for their approach.

The updates allow for a more scheme-specific approach and removes, or further clarifies, thresholds introduced at authorisation, including minimum liquidity levels and allowance for revenue offsetting. This should allow for a more consistent approach across the market and may allow master trusts to be able to release some

capital reserves to invest in their business and deliver better value for savers.

TPR plans to publish data from next year to enable master trusts to understand how they compare with their peers and encourage engagement and transparency.

TPR director of DC and master trust supervision, Kim Goodall-Brown



VIEW FROM PENSIONS UK: Salary sacrifice proposals a helpful shift in the right direction

While much of the pensions industry was gathered in Edinburgh for our Investment Conference, peers in the House of Lords voted to raise the proposed salary sacrifice cap from £2,000 to £5,000. The higher cap helps to ensure many more workers, including those on lower and moderate incomes, can continue to benefit from arrangements that support their long-term financial wellbeing.

Although no cap would be preferable, Peers in the House of Lords acknowledge

an important point: People must be supported to save at decent levels. Limiting or changing salary sacrifice could create new barriers at a time when adequacy is already a challenge for people across all income levels.

The Retirement Living Standards underline a simple truth. Most people want a retirement lifestyle that's not far from their current lifestyle. But we know millions are off track for that, and limiting salary sacrifice will make filling that gap harder.

The Pensions Commission presents a vital opportunity to review the system holistically, based on evidence and long-term thinking. Salary sacrifice arrangements should be considered as part of that review, not in isolation. This Lords amendment could help keep things on track for most, in the meantime.



Pensions UK executive director for policy and advocacy, Zoe Alexander



VIEW FROM THE PMI: Why mentoring matters more than ever

The sector is evolving quickly. Pensions professionals are being asked to operate in a more demanding and more visible environment than ever before. In this context, developing people is not a nice-to-have. It is a strategic necessity. That is why mentoring matters.

And that's why the launch of the Pensions Management Institute's (PMI) 2026 Mentoring and Development Programme is notable within a changing sector and a need for new talent.

The scheme, now entering its seventh

year, offers 12 months of structured but flexible one-to-one mentoring, giving emerging professionals access to seasoned industry leaders at a time when clarity and confidence are critical.

Mentoring is one of the most effective ways to build confidence, transfer experience and support professional growth across the pensions sector. It helps new entrants understand the breadth and purpose of the work, while giving experienced professionals a meaningful way to share expertise, challenge outdated

perceptions and show how a career in pensions can genuinely make a difference.

To build a more confident and better-connected profession, we need to help people learn from one another. The PMI's 2026 Mentoring and Development Programme offers a practical way to grow, contribute and explore career direction.

Anyone interested is encouraged to visit the PMI website to learn more.



Appointments, moves and mandates



Julian Lyne

► **Julian Lyne has been appointed as head of UK institutional at Franklin Templeton.**

Lyne joins Franklin Templeton from The Pensions Regulator, where he held the position of interim executive director of market oversight. Prior to this, Lyne spent a decade at Newton Investments (part of BNY Mellon) as chief commercial officer. In his earlier career, he held leadership roles at F&C Investments and HSBC Investments. In these roles, he managed global consultant relations and developed key institutional products. In his new role at Franklin Templeton, Lyne will be responsible for shaping and executing the asset manager's UK institutional strategy.



Steve Collins

► **TPT Retirement Solutions has announced the appointment of Steve Collins as its new head of superfund.**

Collins will report to TPT commercial director, Nicholas Clapp, and will play a key role in helping bring the proposition to market. He will also be responsible for building out the pipeline of future transactions and working closely with the team to develop the proposition. To his new role, Collins brings over two decades of experience in the pensions industry, having held a variety of roles across actuarial consulting, covenant and trusteeship. He has held several senior positions at KPMG UK, Isio, Cardano, and Aon, and most recently served as a senior actuary at KPMG UK.



Chris Alford



Luke Tutt



Maria Keen

► **Independent Governance Group has announced 22 promotions, including three trustee directors.**

Chris Alford, Luke Tutt and Maria Keen have been promoted to trustee director roles. In addition to the trustee director appointments, Annette Balcombe, Carolyn Ealand, Mariarosa Rossi and Richard Haslam have all been promoted to trustee manager roles. Meanwhile, Chris Tabersham has been promoted to associate director. The promotions also see Abigail Finegan, Elizabeth Mealing, Ellis Kewley, Harry Birch, Philippa Wilson and Rachel Rigg promoted to senior associate roles, while Craig Barth has been promoted to manager (funding and investment).



Paul Noone

► **Broadstone has appointed Paul Noone as head of operations and John Bacon as principal of projects and endgame administration.**

Noone is returning to Broadstone after spending nearly six years with the business between 2013 and 2019. He has held several senior roles across the pension industry, including time at the Money and Pensions Service, where he held the position of head of onboarding for the Pensions Dashboard Programme. He has also worked for Capita and Railpen, and early on in his career for Mercer and Aon. Bacon joins Broadstone from Barnett Waddingham, where he spent 10 years. Prior to this, he held several roles at Mercer and Atkin & Co. Bacon will support Noone in his new role.



Michael Eakins

► **Pension Insurance Corporation (PIC) has appointed Michael Eakins as chief executive officer (CEO), subject to regulatory approval.**

Eakins is currently Standard Life CEO and group chief investment officer, and CEO of retirement solutions group. Prior to joining Standard Life, he was a Goldman Sachs managing director, where he spent more than 14 years in a variety of client-facing roles. Before joining Goldman Sachs, he qualified as an actuary with EY. Eakins joined PIC following the completion of Athora's acquisition of PIC, which received regulatory approval on 6 March and completed 27 March 2026. Dom Veney continued to lead PIC as interim chief executive officer until Eakins formally joined.

Commenting on Eakins' appointment, PIC chair, David Weymouth, said: "I am delighted that Mike will be joining PIC at such an important moment in the evolution of the business. He is a highly regarded leader with deep industry experience."

Adding to this and commenting on his appointment, Eakins said: "I have long admired what the team at PIC have achieved, so I'm very excited to be joining them as CEO. PIC's clear sense of purpose is fundamental to the success of the business and is something I want to build on, working with the PIC current leadership team and Athora."



Richard Beaven

► **The Pension Protection Fund (PPF) has announced that Michelle Ostermann has stepped down as chief executive of the organisation, with Richard Beaven appointed as acting chief executive.**

Ostermann was chief executive of the pensions lifeboat for two years but has departed to “refocus on pensions at a global level”. PPF chief operating officer, Richard Beaven, has been named as acting chief executive with immediate effect and has been appointed to the PPF board as executive director. Prior to joining the PPF, Beaven was the managing director of an insurance broking business and held senior positions at several firms in the financial services sector, including global head of change at Thomson Reuters, operations director at Lloyds Banking Group, and chief operating officer at Brightside Insurance. Commenting on the announcement, PPF chair, Kate Jones, said: “The board would like to thank Michelle for her contribution to the PPF. During her time as chief executive she brought valuable international experience and insight, added some brilliant talent to the senior leadership team and played a central role in shaping our 2025-28 strategy, helping position the organisation strongly for the future, in support of the members we serve. We are grateful to Richard for accepting the role of acting chief executive. He will provide stability, clarity and focus during this transition, working with the support of our strong executive team.” Ostermann described her time at the PPF as “rewarding” and said it had been a privilege to work alongside a team dedicated to delivering security and stability for members.



Carol Campbell

► **The London Pensions Fund Authority (LPFA) has appointed Carol Campbell as its director of governance, risk and legal.**

She will start her role in mid-April 2026, following the completion of an 18-month interim role at Lothian Pension Fund (LPF), where she served as interim head of legal. In her time at LPF, Campbell advised on governance, regulatory compliance and fiduciary duties across both LPF and its Financial Conduct Authority-regulated investment management company. Before this, she held the statutory position of monitoring officer for the City of Edinburgh Council. LPFA CEO, Jo Donnelly, said the fund is “delighted” that Campbell is joining the LPFA.



Kris Black

► **Canada Life has appointed Kris Black as head of annuities and Alice Watson as head of home finance within its retirement business.**

These newly created roles will see Black and Watson take responsibility for the end-to-end product and proposition life cycle and strategy for the annuities and home finance product lines, respectively. Before this appointment, Black held the position of head of commercial within retirement at Canada Life and led the pricing teams for both annuities and home finance. He has also held senior positions at Willis Towers Watson and Aviva. Meanwhile, Watson previously held the role of head of B2B marketing at Canada Life.



Simon Borhan

► **Eversheds Sutherland has appointed Simon Borhan and Craig Looker as partners in its UK pensions team.**

Borhan joins Eversheds Sutherland from Linklaters and sits on the Defined Contribution & Investment Sub-Committee of the Association of Pension Lawyers. He is also a member of both the Pensions UK Legal Advisory Group and the Institute and Faculty of Actuaries Fiduciary Duty Working Party. Meanwhile, Looker rejoins Eversheds Sutherland from DLA Piper, bringing over 17 years of specialist pensions experience, including extensive public sector pensions experience. Borhan will work in the London office, while Looker will work in the Leeds office.



Caroline Miller



Alistair Stewart



Maria Kilpatrick

► **Scottish Widows has made three senior appointments to its distribution team.**

Caroline Miller has been appointed as strategic partnership director, Alistair Stewart as strategic development director, and Maria Kilpatrick as intermediary senior development manager. Both Miller and Stewart join Scottish Widows from Aberdeen. Miller has more than 23 years of sales experience, and Stewart brings an understanding of the advice sector, market consolidation and investment insight. Kilpatrick joins from M&G, where she was regional director and has over 20 years of experience managing sales teams.



VIEW FROM THE AMNT: MNTs as the 'third voice'

If you're a sports lover, you'll appreciate how 'the third man' in football or cricket is crucial to securing a win. I'd suggest MNTs are pension trustee boards' 'third man' or rather 'third voice'.

Apart from the visual value MNTs can bring to a trustee board, MNTs understand their members mindset. Neither professional advisers nor sole chairs bring 'a player's perspective' to the game plan. That's why an MNT's voice on boards is essential.

I'm no Pep Guardiola [*Manchester City Coach for the uninitiated*] – and Pep is certainly no pension guru – but he

succeeded by utilising the 'players' voice' when developing technically astute players. The appointment and involvement of MNTs on boards may be difficult to execute and requires skill to manage, but the end result is definitely worth it. Given First Bus's three National Awards in less than nine months, [*Sept 2025 – WSB Award, Nov 2025 – PMI Pinnacle Award, and March 2026 – Pensions Age Award*], I'd say First Bus employer trustee and head of pensions, Muntazir (Monty) Hadadi, deserves a Pep style 'Coach of the Year Award' especially, as he explained "this was really largely down to the incredible

work our MNTs do every single day".

First Bus has proven that listening to the third voice on a trustee board can be a real gamechanger....so let's all be more Pep (or Monty) in our strategy, training and decision making. Judging by the end results, listening to the third voice is definitely worth it.

AMNT committee member, Arlene Mitcham



VIEW FROM THE ABI: Targeted support and the need for regulatory harmony

Monday 6 April marked the launch of targeted support (TS). For contract-based providers, this is a significant milestone in narrowing the advice gap, allowing firms to provide tailored help without straying into full advice.

But for trust-based schemes, little has changed. Trustees can't confidently offer TS-like services. The issue is not appetite; trustees want to provide personalised support. The problem is regulatory uncertainty. Trustees lack regulatory cover to offer TS-style services while steering clear

of the FCA perimeter.

Concerns include how FCA rules could apply to in-scheme support; how far trustees can steer members without crossing into advice, arranging or financial promotion; and how risks compound when schemes partner with FCA-authorized firms. These sit atop ongoing inconsistency between FCA and TPR regulatory regimes.

Trustees are understandably cautious, meaning occupational schemes might refrain from offering the interventions that TS enables elsewhere in the market. This is

especially problematic given trustees will be expected to deliver guided retirement journeys, but cannot offer TS-like help alongside. Trustees need further guidance from regulators on how the perimeter applies practically to trustee-led support.

Without regulatory harmonisation, savers will face inconsistent support across schemes.

ABI senior policy adviser, long-term savings policy, Tom Shields



VIEW FROM THE PPI: The hidden billions – tackling the lost pensions challenge

How do we increase engagement with pensions? The perennial question for the sector. New PPI research launching in 2026 may help to provide part of the solution.

In late 2026, we will publish updated figures from our influential *Lost Pensions* research. Our latest analysis, published in 2024, estimated there were around 3.3 million lost pots in the UK, containing approximately £31.1bn in assets.

These figures have resonated beyond the pensions industry, gaining traction in mainstream media, helping raise public awareness and drive small pot

consolidation. By presenting clear, tangible data, the research prompts a simple but powerful question for savers: "Could some of that money be mine?" In doing so, it creates opportunities to spark engagement with pensions.

Underpinning the research is a comprehensive industry survey of providers and schemes, enabling us to track trends and build a robust evidence base on the scale and causes.

This year, the project will expand for the first time to include a dedicated survey of DB schemes, helping build a more complete

picture across the UK system.

Scheme participation is vital. The more organisations that contribute, the stronger the evidence base will be, helping ensure this research continues to shape industry understanding and inform the policy debate. Importantly, it could also help savers reconnect with pensions they may have lost.

PPI head of external relations, Danielle Elliott



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Diary: April 2026 and beyond

✦ Pensions Age Spring Conference

30 April 2026

Hilton London Tower Bridge

The Pensions Age Spring Conference is back for 2026 and will bring together the pensions sector for a day of learning, debate, and networking. With Pensions Minister, Torsten Bell, and PPF CIO, Barry Kenneth, confirmed as keynote speakers, the conference will provide delegates with up-to-date insights, guidance, and practical takeaways to help them run their schemes more effectively across both the defined benefit, defined contribution, and hybrid landscapes.

pensionsage.com/springconference/

✦ European Pensions Awards

2 July 2026

London Marriott Grosvenor Square

Now in its 19th year, the European Pensions Awards celebrates those who have gone above and beyond amid an unprecedented time of dynamism and vigour, as schemes, alongside their advisers, asset managers, technology partners, administration and communication specialists, continue to push boundaries to meet the evolving members' needs in an unpredictable world. The shortlist for the awards has been announced. Book your table now!

europeanpensions.net/awards

✦ Pensions Age Autumn Conference

17th September 2026

The Waldorf Hilton, London

The Pensions Age Autumn Conference returns to London, bringing together pension schemes and professionals from across the industry. The conference will explore a variety of topics through expert presentations, panel discussions and interactive Q&A sessions with those shaping the future of UK pensions. Join us in London to hear from regulators, industry bodies and leading experts, and to reconnect with peers from across the pensions community.

pensionsuk.co.uk/events/conferences

✦ Pensions Age Northern Conference

11 June 2026

Park Plaza, Leeds

The popular Pensions Age Northern Conference returns to Leeds in June, bringing together pension schemes and industry professionals for a day of insight, debate and networking. Open to all pension professionals, the conference offers timely insight, practical guidance and actionable takeaways to support effective scheme management.

pensionsage.com/northernconference/

Visit www.pensionsage.com for more diary listings

Don't forget...

Pension dashboard connection date

30 April 2026

This is the deadline for relevant occupational pension schemes with between 320 and 399 members.

pensionsdashboardsprogramme.org.uk//connection/deadline



VIEW FROM THE SPP: Inheritance tax (IHT) shake-up for pension death benefits

The Finance Act 2026 contains a fundamental reform to the taxation of lump sum death benefits (Sections 66-71: IHT on unused pension funds).

The pension funds brought within the scope of IHT are referred to in legislation as 'notional pension property' and the impact, whilst affecting DB and DC schemes, will fall more on the latter because of exemptions, which include defined benefit lump sum death benefit, dependant scheme pensions from a DB or CDC scheme, and joint life annuities payable to a survivor on the member's death.

This is not an exhaustive list. Trustees and providers should be considering the impact on their schemes, including communications to members and processes after a member's death, noting that it is for legal personal representatives (LPRs) to identify and notify a deceased's pension schemes. Scheme administrators can then start their internal processes which will need to be reviewed. LPRs are also responsible for information gathering but will need information from administrators and, moreover, where IHT will be payable, a notice may be given to administrators to direct

them to withhold 50 per cent of taxable benefits for up to 15 months.

LPRs or a beneficiary may, where IHT is due, request that the administrator pays it directly subject to prescribed conditions. The Registered Pension Schemes (Provision of Information) Regulations 2006 and the Pensions Tax Manual will be updated soon but work on changes to processes should start now.



SPP council member, John Wilson

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VIEW FROM THE PPF: Building momentum on diversity, equity and inclusion

Last month, we published our 2025 Diversity Pay Gap Report.

It highlights our continued progress in key areas of representation and inclusion across the PPF. It's long been our ambition to build a diverse and inclusive workforce. We want to attract and develop talent from the widest possible pool, ensuring our organisation reflects the communities we serve.

We go beyond statutory gender pay reporting requirements by voluntarily publishing data on our ethnicity, disability and long-term health condition pay gaps.

This helps us understand where we're making progress and how we can continue to build on that momentum.

I'm thrilled that in this year's report we've seen a further narrowing of our gender pay gap. Just as importantly, we've exceeded our target for female representation in senior management, reaching 54 per cent ahead of schedule.

Representation more broadly has also seen considerable improvement, including an increase in ethnic minority representation at senior levels. Alongside this, our ethnicity bonus gap has narrowed,

and our disability bonus gap is now at its lowest level since we began reporting.

These are encouraging signs but we also know we still have further to go. By staying focused on our long-term goals we remain committed to creating a workplace where all our colleagues feel supported to progress and succeed.



PPF chief governance, risk and legal officer, Dana Grey



VIEW FROM PASA: Putting members at the heart

The growing focus from trustees and scheme leaders on administration is a positive step forward. However, some conversations still overlook a key participant: The member. Are we really listening to them?

There's no shortage of discussion around artificial intelligence, new technology and digital services, but where is the equivalent focus on the members and dependants who struggle to engage online, or who need support to understand the information they receive?

High quality, initiative digital services play an important role in making these interactions smoother and more accessible. Equally important is access to knowledgeable, experienced administrators who can provide reassurance, answer questions and explain what happens next. The human element remains critical. Members are not processes to be managed; they are individuals seeking clarity and confidence at important life stages.

Understanding the questions

administrators are asked, and why they arise, is equally important. If website content or member communications are unclear, this should be addressed.

If members are truly to be at the heart of pensions administration, we need to listen, adapt and continuously improve, rather than assume we already have the answers.



PASA director, Ian McQuade



VIEW FROM THE ACA: Defining actuarial standards for CDC

We have welcomed the draft of the FRC's Technical Actuarial Standards for Collective Money Purchase Pensions (TAS310) and are strongly support the objective of having the final version available in advance of it coming into force, in July, on the same day as the unconnected employer legislation comes into force.

Our response says that, ideally, the final version should be published well in advance of 31 July 2026.

We outlined a number of comments on

the detailed proposals in our ACA response. We think that the requirement to consider 'all material rating factors' is unclear and likely to be very onerous.

We have suggested alternative wording that would enable the actuary to limit their consideration to rating factors that might realistically be chosen for accrual rates.

We agree that age should be considered (and communicated) as a potential rating factor for all unconnected multi-employer CDC schemes (UMESs), and our view is that TAS310 should mandate this.

We think additional requirements should apply where consideration is being given to the adoption of the employer-level method.

The TAS should be extended to reference the need to justify any differences in approach for transfer in and transfer out terms and specify the same principles apply for both transfer out and transfer-in terms.

ACA chair, Stewart Hastie



Soapbox: Mandation – the wrong answer to the right question?

Unless you've diligently avoided every pension event, conference, catch-up, or coffee meeting over the past few months, you will have heard the government's proposed 'mandation' clause in the Pension Schemes Bill being discussed.

So topical is the issue that views on mandation are often exchanged before pleasantries, a bit like 'are you voting Brexit?' in 2016, or 'are you suffering from a sudden loss of taste or smell?' in early 2020.

Meanwhile, I suspect that if Pensions Minister, Torsten Bell, is asked about it one more time, he might spontaneously combust – potentially taking the unfortunate journalist who raised it with him.

At its core, the debate is simple.

Why is the government seeking powers to mandate investment decisions that have traditionally sat with trustees, and does this risk undermining fiduciary duty, opening the door to misuse by future governments, and compelling decisions that are already underway through voluntary initiatives?

These concerns have been consistently raised across the industry, and opposition reached a peak in the House of Lords last month, where the clause was removed following fierce criticism from the Conservatives and Liberal Democrats.

Among its most vocal detractors is Shadow Pensions Minister, Helen Whately, who has described the proposal as a "quiet power grab" and a "tectonic shift" in the UK pensions system.

Following its rejection in the Lords, government officials indicated that ministers may seek concessions to secure its passage, such as introducing limits on the scope of the reserve power.

However, while concerns around government overreach are legitimate,



I believe it risks obscuring a more fundamental problem: The central challenge facing UK pension investment is not a lack of willingness to allocate capital domestically, but a shortage of suitable opportunities.

This is not a behavioural problem, but a market one, and research across the industry supports this view.

For example, a report from Nest Insight found that pension investment in affordable housing is being held back not by a lack of capital, but practical barriers.

These include funding pressures, competing capital demands, and the need for new delivery models.

This diagnosis is reinforced by EY's analysis, which highlighted a structural shortage of investment-ready UK assets at scale.

Its 2025 *UK public and private capital markets* report noted that the UK lacks a sufficiently deep pipeline of large, investable opportunities, particularly in later-stage growth and infrastructure.

Undoubtedly, compared with international markets, there are fewer sizeable opportunities capable of absorbing pension allocations in the UK.

Indeed, Oxford Economics' modelling revealed that we could unlock up to £220 billion in additional investment over the next decade through pensions changes.

However, the extent to which this capital materialises depends heavily on the availability of genuine investment opportunities, rather than the redistribution of existing flows.

There are also concerns about how narrowly the current framework defines eligible investment routes.

The Association of Investment Companies (AIC), alongside peers including Baroness Bowles and Baroness Altmann, has warned that excluding listed investment companies from the bill could limit access to established private market vehicles.

They argue that investment companies have long provided exposure to infrastructure, renewables, property and private equity.

Excluding them risks reducing diversification, increasing costs, and narrowing the range of viable routes into private markets – outcomes that run counter to the policy's stated objectives.

These criticisms point to a broader issue: If the aim is to increase investment into productive assets, then the framework must be as inclusive, flexible and market aligned as possible.

Encouragingly, The Pensions Regulator (TPR) has begun work to better understand the barriers preventing schemes from investing in growth assets, with the findings due later this year.

If policymakers are serious about unlocking pension capital for UK investment, the priority must be to build a stronger pipeline of investable opportunities, reduce structural barriers, and create a stable policy environment.

I believe incentives, clarity and supply-side reform are likely to prove far more effective than compulsion.

The government has correctly identified a problem: The UK is not fully harnessing the potential of its pension capital.

But mandation risks addressing the symptom rather than the cause.



Written by Callum Conway

Employers are waking up to the fact that financial stress impacts not only the lives of their employees but, potentially, workplace performance and overall engagement. However, many still lack the tools and support to address it effectively.

Aviva's new Financial Wellbeing Tool for workplace pension members is designed specifically to address this growing need. It empowers employees to take control of their financial situations through personalised, actionable steps that align with their confidence levels.

How the economy fuels our money worries

Despite signs of economic recovery, the cost-of-living crisis has cast a shadow over household finances, and many families continue to feel the pressure. According to the *Aviva Working Lives Report 2024*¹, nearly three-quarters of employees (73 per cent) said the cost-of-living crisis has intensified their financial anxiety, with

"At Aviva, we believe that the pension industry has a vital role in empowering employers to enhance their team's financial wellbeing – not just through retirement planning but by fostering confidence and resilience at every stage of working life. That's why we're launching innovative solutions to make financial wellbeing support easier, smarter and more impactful"

Financial wellbeing isn't just a buzzword; it should be a business necessity

▶ **Aviva Workplace pensions director, Simon Ellis, explains how financial wellbeing isn't just a buzzword; it should be a business necessity. By doing so, businesses can not only help their employees manage money worries but also unlock greater engagement and performance across their teams**

women reporting higher levels of distress (77 per cent versus 66 per cent of men).

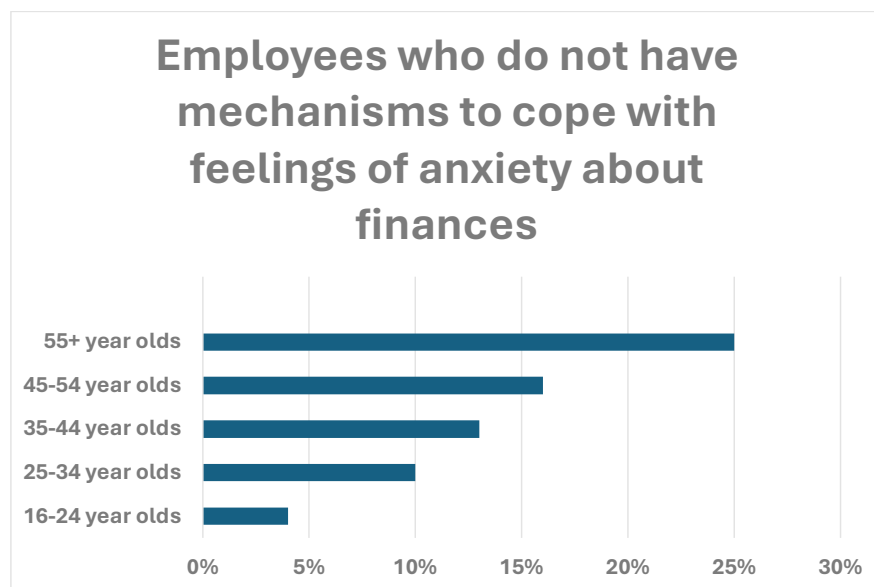
Employers are also aware of this reality. Over half (56 per cent) believe their employees are concerned about their financial wellbeing, and it's clear that addressing these concerns isn't just beneficial for the employees but for the business too.

The link between financial wellbeing and performance at work

In 2025, a survey of about 5,000

employees for the CIPD Good Work Index found that nearly one in three said money worries had affected their work performance. Around one in five said they'd lost sleep over it, 15 per cent said it caused health issues like stress, and 13 per cent said it made it hard to focus or make decisions at work.²

These findings reinforce the growing recognition among UK employers and policymakers that financial wellbeing is not just a personal issue – it's a workplace issue too.



Source: *Aviva Working Lives Report 2024*



Financial Wellbeing Research 2025 | Reward and Employee Benefits Association (REBA)

Where do employees turn for support?

Our 2024 Working Lives Report³ found that nearly half of employees (49 per cent) will confide in friends or family about their financial concerns. Alarming, one in five (20 per cent) tries to ignore their financial situation, and 14 per cent have no strategies to cope at all.

Just 6 per cent reach out to colleagues, managers, or financial advisers for support. Generally, younger employees are more likely to discuss their financial concerns, but research shows older workers often lack effective coping mechanisms.

Workplace support can provide a crucial lifeline, yet nearly two-thirds (63 per cent) of employees reported their employers do not offer tailored financial wellbeing resources. Of that group, 62 per cent said they would appreciate that support from their employers.

Empowering employers with practical financial wellbeing tools

Most employers (74 per cent) said they would welcome help – or more help – to

provide tailored financial wellbeing education to their workforce.⁴ This aligns with REBA's *Financial Wellbeing Research 2025*, which found that structured financial wellbeing strategies deliver tangible benefits for both employees and organisations. Among employers with financial wellbeing strategies in place, 59 per cent feel it addresses the objective of improved mental health related to financial stress, 50 per cent feel it addresses higher productivity or motivation, and 67 per cent said it helps improve the health of the workforce.⁵ These findings highlight that investing in financial wellbeing support isn't just the right thing to do for employees – it's a smart business decision that can drive engagement, resilience, and performance across the organisation.

The new Aviva Financial Wellbeing Tool is available online and through the app, making it quick and easy to navigate in whichever way suits. There are resources, insights and tools to make sense of everyday spending or long-term retirement planning.

“Financial wellbeing is a critical part of overall wellbeing. If people are anxious or stressed about money, it can seriously affect their mental and physical health. I’m thrilled we have launched this tool to help employers support their employees and enhance financial resilience – helping them to feel more confident, more in control, and better equipped to plan their financial futures”

We understand that discussing finances can push people far out of their comfort zones. With Aviva's Financial Wellbeing Tool, employees can access support and build financial confidence without feeling the need to ask for help.

For more information about the financial wellbeing support Aviva offers through workplace pension schemes, visit <https://www.aviva.co.uk/business/workplace-wellbeing/financial-wellbeing/>



Written by Aviva
Workplace pensions
director, Simon Ellis

In association with



¹ <https://static.aviva.io/content/dam/document-library/adviser/workplace/SP98723.pdf>

² <https://www.cipd.org/uk/views-and-insights/thought-leadership/insight/action-employee-financial-wellbeing/>

³ <https://static.aviva.io/content/dam/document-library/adviser/workplace/SP98723.pdf>

⁴ <https://static.aviva.io/content/dam/document-library/adviser/workplace/SP98723.pdf>

⁵ <https://reba.global/resource-report/financial-wellbeing-research-2025.html>



Pensions UK Investment Conference 2026: Investment in a time of change

Over three days, the pensions industry converged on Edinburgh for the Pensions UK Investment Conference 2026 to discuss how pension schemes can make the most of their investments at a time of looming mandate, macroeconomic uncertainty and a wave of policy changes



This year's conference welcomed 900 delegates – the biggest attendance in five years – from 111 pension schemes and master trusts, with more than 90 per cent directly involved in investment decision-making.

Priorities for a time of change

Pensions UK chair, Emma Douglas, opened the conference – her last in the position – that both highlighted the breadth of what the industry is facing and some of Pensions UK's successes in advocating for our sector: 14 mentions in Hansard on the Pension Schemes Bill and three amendments passed that support



its messaging, to name just a couple.

Steering a course through the coming changes will test everyone in the industry, so Douglas outlined Pensions UK's three strategic priorities that will help guide them over the next few years: powering progress, securing the system, and closing the gaps.

Progress through pensions investment

Minister for Pensions, Torsten Bell, returned to the conference for a second year for one of the most hotly anticipated sessions. He noted the need for clarity on the long term in pensions and outlined the government's efforts to provide it, as well as the important role the government has to play in providing a pipeline of investable opportunities for pension schemes.

Among those investable opportunities, he highlighted infrastructure projects from renewables to major transport developments and housing. He praised the Mansion House Accord and the industry's efforts,

while also acknowledging some of the challenges pension schemes face with domestic investment, such as the need for the UK venture capital industry to change to accommodate pension schemes' involvement.

To mandate or not to mandate

Inevitably, the question of mandate did arise, which Bell defended as being limited and only intended as a backstop for the Accord's goals, and promised to tighten the drafting of it in the House of Lords.

Later that day, Shadow Secretary of State for Work and Pensions, Helen Whately, set out the Conservatives' opposition to the mandate power, and that other incentives should be used to make the UK more investable. She also addressed the challenge of making the state pension sustainable, emphasising the importance of supporting private pensions so that people don't rely entirely on the state pension.



A secure system needs good governance and leadership

Whatever the future holds for the industry, effective leadership will make a great difference in meeting the challenges. Entrepreneur and author, Margaret Heffernan, shared her expertise on how organisations can build better leadership structures to equip them for handling uncertainty and tackling wilful blindness.

We're always trying to predict the future in pensions, so her comment that we can only accurately forecast up to around 400 days should give us pause for thought. But rather than trying to forecast further, Heffernan says we should accept uncertainty and build processes that expect to be wrong and are designed to learn and adjust. By incorporating doubt and challenging predictions, organisations can better prepare and take advantage of opportunities to be creative, adaptive and robust in leadership.

With scrutiny of the future of fiduciary duty and the DB trusteeship consultation examining how trustees can be best prepared for the increasing complexities of their roles, Heffernan's advice is timely. Fiduciary duty and the consultation were also on the agenda at the conference, with lively panel discussions about how trustees can



navigate systemic risks and what further clarity DWP needs to provide.

Closing the adequacy gaps

While it might be titled Investment Conference, there were plenty of sessions that reminded us that all the effort to generate returns is in service of savers and making sure they have as good an income in retirement as possible. Behavioural science and advertising legend, Rory Sutherland, closed the conference with a look at how marketing techniques used to increase engagement can translate to the pensions industry.

Some of these – such as limited choices and herd effects, the human tendency to do what others are doing – were already used to great effect when automatic enrolment was first introduced and might seem relevant in a world of increasing consolidation.

But the industry may also want to heed his criticism of financial regulators optimising for ease of comparison, such as comparing rates of return over a period of time, as it can prevent innovation and experimentation. His argument was that it's much more exciting to hear "double your money in X years" than "Y% of interest over X years", and urged people to rethink how financial services are framed and presented to the public.

Sutherland also had thoughts on the future of retirement: that it might become more of a way to work part time – something many people may well be considering – noting that the Finnish rail operators pay their retirees a retainer so that they can still access their accumulated knowledge if needed.



The next generation

Some of the savers that might be most affected by the points discussed at the conference were students from Edinburgh Napier University and Heriot-Watt University, who spent a morning learning about pensions, how outcomes can be improved and how pensions investments deliver a fairer retirement.

The issues that matter to the industry

As the conference came to a close, we had the opportunity to reflect on the many topics addressed, from local investment and in-house investing to environmental strategies and how to manage the turbulent times we're in. Experts from across the industry shared their views on the issues that matter to the senior leaders in the room, the government's plans for UK growth and, most importantly, the retirement savings of people throughout the UK.

The conference came at a unique moment, on the cusp of a great change in pensions policy and regulation, and it was telling that many sessions were about how to manage uncertainty and instability. Although attendees aren't any wiser as to what exactly will be coming over the horizon, they're certainly going to be better prepared for it.

Sessions and interviews from the conference are available to Pensions UK members via the member hub: <https://members.pensionsuk.org.uk/home>




AON

Rupert Kotowski
Investment Consultant
Aon

Matthew Arends
Head of UK Retirement Policy
Aon

Laura Blows
Editor
Pensions Age

Exploring the key risks

▶ Laura Blows speaks to Aon head of UK retirement policy, Matthew Arends, and Aon investment consultant, Rupert Kotowski, about some of the key risks facing UK DB and DC schemes, as noted in Aon's latest global pension risk survey

▶ What have been the notable results in Aon's latest global pension risk survey and have there been any changes from previous years?

Matthew Arends: We conduct the global pension risk survey every two years across multiple countries around the world, but today we'll talk about the UK results.

The survey itself covers the risks within DB and DC pension schemes, looking at the asset risk, liability risks, and also operational risks. So, with all of those lenses, there have been some quite interesting results that we have found in this iteration.

Let me call out two. We asked respondents to prioritise their risk areas, and number two on that list,

second only to investment returns, was regulatory risk. Stakeholders of pension schemes will instantly recognise that result from the pace and volume of change in our industry today.

The second finding was that data and benefits risk ranked fourth, so it was really quite high in the concerns of pension scheme stakeholders.

▶ A big topic of conversation within the sector, because of recent developments, is DB endgames. For instance, whether to continue with original plans or to change from run-on to buyout, or vice versa. What did the survey find on that topic?

Arends: That's a really interesting

area where we've seen quite a bit of change over the past two years. The endgame decision has become quite nuanced for DB pension schemes.

If we go back in the past, aside from the minority of open schemes, it was largely a choice between buying out and a self-sufficient run-on situation. But in 2026, what we're finding is a proliferation of different endgames.

While there are other possible DB endgames, we now see three broad alternatives: buying out at the first opportunity, which remains the majority response; a temporary run-on before buyout; or a permanent run-on.

▶ When embarking upon one of those three routes, I assume the asset

allocation of DB schemes would be quite important and may well change – particularly with investment returns ranking so highly in the survey findings. Rupert [Kotowski], what have you found in terms of pension schemes' asset allocations and how they may change as they embark upon their endgame journey?

Rupert Kotowski: Yes, absolutely, we have seen change. About 20 per cent of DB respondents have indicated they would like to buy some annuities in the next couple of years, which is relatively short term.

We have also seen about 25 per cent of DB respondents indicating they would also like to buy more gilts, more credit and more corporate bonds. What we've seen our clients asking for is not only a desire to buy more corporate bonds, but on buying bonds with higher focus on climate change, either taking advantage of the opportunities presented or mitigating those risks.

Broadly, the general trend is one of significant de-risking into bonds, whether government or corporate. That has been across the board and has arisen from the high funding levels we have seen, the closeness to endgame, and wanting to achieve better cashflow matching against liabilities.

➤ Does this influence attitudes towards illiquid investments, which have also been a key topic of industry conversation lately? What trends are you seeing?

Kotowski: Around 42 per cent of DB respondents said they wanted to reduce their allocation to illiquid growth assets. This is not just due to higher funding levels and lower target returns, but also because many of these illiquid allocations were put in place a few years ago when interest rates were much lower. Now that rates are higher, these allocations can be too high so

a number of schemes are looking to cut their allocation, even if they are planning to run on. That said, it isn't all one-way traffic; around 5 per cent of DB schemes are looking to increase their illiquid allocation, likely seeking value opportunities.

In DC, however, the trend is the opposite. With developments such as the Mansion House Accord, we have seen DC master trusts pledge more money towards UK productive finance, which is typically illiquid. We believe there is value to be found there above public equity returns, but it requires careful management, such as specialist managers, appropriate sizing of positions, and sufficient liquidity for when DC members need access to cash.

➤ With risk being such a dominant theme, one of the biggest areas of risk is arguably the member itself, in terms of their knowledge and understanding when making retirement income decisions. How can the industry help minimise the risk of members making bad decisions?

Arends: Let me call out three points. However, before that, the critical finding from the survey this time around was just how important this issue is for stakeholders. Surprisingly, the responses were very similar between DB and DC stakeholders.

The first area was a focus on scam prevention, which is understandable. The second was greater use of technology, such as modellers, to help members understand their pension decisions, particularly as they approach retirement.

The third area, common to both DB and DC, was the use of independent financial advisers for individual schemes to support members at retirement. Between 40 and 50 per cent of survey respondents said they either had, or intended to have, an IFA in place.

Kotowski: We have also seen about 39 per cent of DC respondents with their own DC trust looking to switch into a DC master trust.

They are doing that to drive better member outcomes and reduce the risk of members making bad decisions, through better returns, improved default funds, greater investment choice, better communications, and potentially lower costs.

This trend isn't new but what we are seeing now is that those DC trusts with additional complexity, or where stakeholders want to retain some control, are increasingly now coming to the marketplace, as the DC master trust market has evolved to meet those needs.

➤ Aon has been conducting this survey for around 20 years now; are there any notable long-term trends it had noted that have played out in practice?

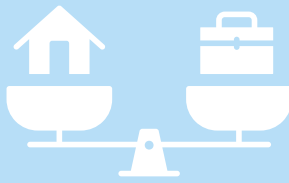
Arends: If I look back to 2006, when we started the first iteration of the survey, life seemed complicated then. But with retrospect now in 2026, I can't imagine how simple life was back then compared to today.

What's really come through in the survey is the breadth of risks that pension stakeholders now have to manage across multiple areas and often simultaneously. The survey results provide a useful way for schemes to benchmark themselves against peers and understand how others are addressing this growing range of risks.

This is an edited summary. To watch the full video, please visit pensionsage.com

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Work/life balance

➤ **Zedra managing director, Kim Nash, sits down with *Pensions Age* to discuss her path to becoming a trustee, her new puppy Bailey and a typical week in her life**

Work:

➤ **What was your dream job as a child?**

A country vet – a love of animals and an outdoor lifestyle really appealed to me.

➤ **Do you have any unusual job experience outside of working in the industry?**

At university, I juggled multiple jobs, sometimes five or six at once, from riding racehorses to waitressing. It taught me time management, resilience, and people skills that I still rely on today.

➤ **How did you end up working in the pensions sector?**

I got a maths degree and became an actuary. The rest, as they say, is history.

➤ **What path did your pensions career take that led you to your current role?**

I enjoyed the consulting aspects of being an actuary, but less so the spreadsheets. At the time, I didn't see becoming a trustee as an option; I was in my mid-20s and assumed you needed decades of experience. When an opportunity came up, I thought, "What have I got to lose?" I applied and got it. At the time, being a young woman around the table was almost unheard of, particularly as an independent trustee. Thankfully, that's changed a lot since then.

➤ **What's one thing about your job that you particularly enjoy or are proud of?**

The impact on members, everything comes back to that. Being a trustee is a bit like being a guardian angel: People don't know you're there, but you're

working on their behalf to create a better future. Having the ability to make decisions, drive change, and improve outcomes is hugely rewarding, and the variety of working with different schemes and industries just adds to that.

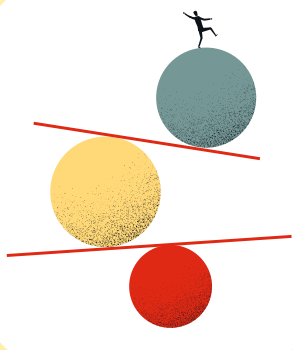


➤ **If you weren't working in pensions now, what would you be doing?**

I'd like to think it might be my dream job as a country vet, at the very least, something outside.

➤ **What's the best piece of career wisdom you've been told, or acquired yourself?**

Lead without ego. It's not about being the most important person in the room. It's a principle I apply every day, both in running the business and working with clients.



A typical work/life week:

➤ **Monday**

A collective defined contribution board meeting kicks off the week; we are working on something new and innovative, so it's very exciting. I also meet with The Pensions Regulator to

discuss the professional trustee market and administration approaches. I finish the day with an Association of Professional Pension Trustees council meeting.



discuss the professional trustee market and administration approaches. I finish the day with an Association of Professional Pension Trustees council meeting.

➤ **Tuesday**

A focus day for me, dedicated to thinking strategically about the business and ongoing projects. Preparations for our client director days and the team Zedra Group day were on the agenda, along with developments in group life propositions and healthcare trusts marketing strategy.

➤ **Wednesday**

I spend the day in our London office preparing for a new business opportunity and attending a defined benefit scheme meeting.

Life:



➤ What do you like to do in your spare time? Any hobbies?

Spare time

is in short supply with a full-time job and two young kids. But I do have a horse, and getting out for a ride a couple of times a week is my way to switch off completely – it beats any spa day.



➤ Is there a particular sport/team that you follow?

I love rugby, I used to play when I was younger, but I can't afford the injuries these days!

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

I struggle to pick a favourite, but I am currently reading *Brambly Hedge* by Jill Barklem with the kids at the moment; it's a wonderful dose of nostalgia.

➤ What film/boxset/TV do you most enjoy?

Love Actually, a Christmas treat. My kids are currently obsessed with *Sort Your Life Out* with Stacey Solomon, which has turned into a genius parenting hack... we play "sort your life out," they love it, and we end up clearing out plenty of old toys and clutter.

➤ Do you have any music/band/song suggestions?

I like all kinds of music; it just depends on the day and the mood.



➤ What's one of the most interesting places you've travelled to?

On our honeymoon, we went to Canada and Alaska, and that's been my favourite trip. Stunning.

➤ What's your go-to comfort food?

Lasagna. (But I hate spaghetti bolognaise. I know.)

➤ Who would be your dream dinner party guests?

My girlfriends. We're all in the trenches with work and young families, so a dinner with them, distraction-free, would be perfect.

➤ If you could meet any historical figure, who would it be and why?

Emmeline Pankhurst. I admired her as a child, and now my daughter is fascinated too, which feels like a full circle! I love the message she gives about standing up for what you believe in.

➤ Do you have a favourite quote or saying?

Not a famous quote, but my favourite idea is to have a bit of fun in everything I do. Life is made up of chapters, each with its own story to experience and enjoy.

➤ Finally, what's the most random fact you know?

The longest technical word is the chemical name for titin. It's 189,819 letters long and takes over three hours to pronounce! There's always something new (and slightly ridiculous) to learn every day.



➤ Thursday

Today I am in the Birmingham office with the team to celebrate Zedra Group's 10th anniversary – cupcakes and a team lunch! I also meet with an advisory firm to share insights on market developments.

➤ Friday

After a few days of travel, Friday is a desk day this

week – catching up on calls, planning agendas for upcoming defined contribution master trust meetings, progressing client actions, and checking in on team project work – including wind-up support and own risk assessments.



➤ Saturday

It's a beautiful day, so I manage to get out on my horse – I love the fresh air and sense of freedom and exhilaration it brings. The afternoon is spent with the family, including a dog walk with our new puppy Bailey.

➤ Sunday

My daughter loves Ballroom and Latin dancing, so we head to a local competition.

They often include a parent-and-child category, so I find myself dancing the cha-cha-cha and waltz with her. We even make it onto the podium, much to our delight.

Summary

- The conflict in Iran has caused severe oil supply shortages, causing prices to spike and leading to wider inflationary concerns.
- Upward pressure on inflation and interest rates is a particular worry for countries that rely on imported energy – countries like the UK.
- Bonds, traditionally a safe haven in times of market volatility, are particularly vulnerable to inflation.
- Historical examples of oil crunches, from the 1970s to the more recent Covid and Ukraine crises, may offer some guidance as to what to expect next, but are ultimately unreliable as lessons for today's unprecedented context.
- Pensions are generally on solid ground with investments matched well to liabilities – but as the traditional safe haven looks a little stormy, it makes sense to reassess and seek out effective diversification elsewhere.

Iran war and the impact on bond markets

Sandra Haurant analyses how the US-Israel war with Iran is driving volatility in bond markets, and what the turbulence means for pension funds

why has this sector been impacted, and what does it mean for pensions?

Of the many repercussions caused by the US-Israeli war with Iran, the one that has grabbed perhaps the most headlines is Iran's near closure of the Strait of Hormuz. The narrow corridor of water connecting the Gulf with the Arabian Sea is, in normal times, one of the busiest oil shipping routes in the world, with around a fifth of the world's oil and liquefied natural gas passing through. At the time of writing, though, the strait is an effective impasse, bringing to a halt a huge proportion of the world's supply of oil and gas, pushing up commodity

prices, and leading to broader inflation. But why do these facts hit bonds so hard?

begin to worry about is when the energy increases feed through into other parts of the economy through second round effects of higher electricity, fertiliser costs and other energy-related components." Payden & Rygel director, global fixed income portfolio manager, Paul Saint-Pasteur, explains: "Bonds have traditionally earned their safe haven status from their tendency to perform well during periods of economic weakness. In a typical downturn, falling growth expectations and subdued inflation lead central banks to ease policy, driving bond yields lower/prices higher. In these periods, bonds can also provide diversification as riskier assets come under pressure."

However, Saint-Pasteur says, retaining that safe haven status depends on the type of challenges. "If bonds tend to respond favourably to growth shocks, they are far more vulnerable to inflation shocks. In such environments, bonds can lose both their defensive qualities and their diversification benefits."

Ultimately, in this case, says Saint-Pasteur: "This shift in expectations has driven bond yields higher, undermining their traditional role as a safe haven."

Which bonds are most affected, and why?

Not all countries will be affected in the same way – and some will be hit harder than others. "Anywhere that has a significant need to import energy is particularly exposed. The UK, along with the rest of Europe, will potentially face the largest costs from the oil price spike," says Thornton.



Bonds have traditionally formed the bedrock of pension funds, bringing to portfolios healthy diversification and balancing out typically more volatile equities. But in the context of conflict, things can take a surprising turn. And since the US-Israeli war on Iran began on 28 February, bond markets have been severely shaken. So

prices, and leading to broader inflation. But why do these facts hit bonds so hard? "It all comes back to inflation," says Keyridge Asset Management head of fixed income, John Thornton. "The sharp increase in oil prices means inflation will be higher, which could result in central banks raising interest rates as they did in 2022. What the policymakers really

And looking at the wider picture, Global Evolution senior macro and allocation strategist, Witold Bahrke, says that different geographical areas will have different levels of exposure to the current turmoil. “Developed markets are moving away from the low-inflation era. Persistent geopolitical tensions, fiscal expansion, and changing global dynamics mean higher inflation uncertainty is likely to stick,” says Bahrke, who highlights the more structural issues at play here. “This undermines bonds’ traditional role as portfolio insurance, as both bond and equity prices are now moving in tandem more often.” On the other hand, the story is different for emerging markets, he argues, where: “disciplined fiscal and monetary policy, helped by low Chinese inflation, has kept inflation risks more contained”.

Could UK gilts bear the brunt?

The chancellor, Rachel Reeves, warned at the start of the conflict that the UK faces likely increases in inflation, and, according to Thornton: “This is one potential scenario that markets are taking seriously. The extent and persistence of the increase in inflation is unclear at the moment, but the direction of travel is apparent. Higher rates of inflation would suggest higher interest rates are needed, which would hurt longer-dated bonds more.

Saint-Pasteur adds: “Inflation expectations and the path of future monetary policy rates are key drivers of bond returns. When inflation is expected to rise, investors demand higher yields to compensate for the erosion of real returns. If central banks are expected to abandon rate cuts or raise rates, this reinforces upward pressure on yields.”

And, he says: “The UK economy is particularly sensitive to higher energy prices. As a net importer of energy, increases in global energy prices can feed rapidly into domestic energy costs, with potential second-round effects across the broader economy. Against the backdrop

of higher energy prices, financial markets have shifted from expecting almost two interest rate cuts from the Bank of England in 2026 before the conflict erupted to pricing in more than three rate hikes as of 20 March, a turnaround that has been negative for gilt returns.”

“The scale of the moves so far suggests most schemes would be well positioned to ride out the volatility”

How will this turn out?

Making forecasts amid an unpredictable and unstable conflict situation is impossible, which leaves us with a tendency to look to the past to see how ostensibly similar situations have played out. Saint-Pasteur says: “The closest precedent is the 2022 energy shock, when a surge in oil prices fed into already elevated inflation and forced central banks to tighten policy more aggressively than expected. That episode has probably meaningfully shaped today’s market reaction.”

Nonetheless, he says, there are crucial differences. “Unlike 2022, today’s shock is more clearly a supply-driven energy shock, which central banks would typically ‘look through’ rather than respond to with tighter policy. In addition, global economies are on weaker footing. Labour markets, especially in the US, are softening, government support is more limited, and core inflation has already moderated in many regions.” As a result, he argues: “While markets have rapidly repriced toward higher rates, the precedent may be imperfect. If higher energy prices prove temporary or begin to weigh on growth, the outcome could diverge from 2022, with central banks ultimately leaning towards rate cuts rather than hikes, despite the initial inflation impulse.”

The Covid pandemic, brought its own energy challenges, too, although,

as RBC BlueBay Asset Management senior portfolio manager, investment grade, Kasper Hense, points out, this period brought about a “demand shock”, while today’s challenges, again, are very definitely about a “supply shock”. And the examples of the 1973 and 1979 oil crises are frequently raised. It is true that supply was the issue here, but Bahrke says drawing direct lessons from that period’s history is unreliable because: “The current situation is, in many respects, unprecedented. That period [*the 1970s*] saw far more persistent inflation and stronger wage bargaining, fuelling lasting price rises and more aggressive central bank action,” he says. “Today, wage dynamics are less inflationary, and oil price spikes are expected to be more short-lived.”

Nonetheless, Thornton says: “There aren’t any perfect reference points here, but the broad trend of a supply side shock is relatively well understood. The key question is how long the oil supply is constrained and to what degree.”

What should pensions do?

There is a lot to be said for keeping calm and carrying on, says Thornton. “All schemes should have developed risk management plans as part of their investment strategies. There is likely a period of increased volatility ahead across bond, currency and equity markets, as well as clearly the oil market.” He adds: “The scale of the moves so far suggests most schemes would be well positioned to ride out the volatility. You may see that plans for any pension risk transfer transactions could be temporarily postponed unless tracking portfolios have been implemented.”

Against an unstable background, then, says Bahrke: “As safe-haven status falters and correlations shift, investors need to look beyond traditional government bonds to achieve effective diversification.”

 **Written by Sandra Haurant, a freelance journalist**

Strong but uneven: The limited state of pension stewardship in 2026



The influence pension schemes have over their investments has increasingly come under scrutiny, not least at the end of 2025 when President Trump ordered regulators to tighten oversight of proxy advisers. This has raised questions about where pension stewardship is heading generally, and, although this hasn't come under direct attack in the UK, there are concerns about its pace of progress.

“Generally speaking, the current state of UK pension stewardship is one of intention but with limitations,” says Vidett associate director, Sarah Booth, who points to the complexity surrounding schemes with competing governance pressures, budgetary limitations and sponsor requirements. “While pension schemes are actively encouraged to engage in stewardship, their ability is often limited by the very regulatory framework that promotes it. This means stewardship needs rethinking and it is evolving.”

In agreement is Investors for Purpose head of impact lens, Bruna Bauer, who applauds the fact stewardship has moved on from a ‘box-ticking exercise’. However, she warns progress is not consistent with some schemes lacking resources and follow-through.

“A key problem is that [stewardship] continues to be assessed through activity-based metrics, such as the

➤ Pension stewardship may be in a good place, but controversial amendments to the Stewardship Code and inconsistent approaches mean much still needs to be tackled

number of engagements or votes, rather than alignment with clear objectives or demonstrable outcomes,” adds Bauer. “This emphasis on reporting over impact creates significant resource burdens without necessarily improving results. Market fragmentation further compounds the issue, with smaller pension funds in particular constrained by limited capacity and expertise.”

This inconsistency is seemingly mirrored by the corporates pension schemes are investing in. While some will willingly engage with their institutional investors, others prefer to delay bringing through meaningful changes. ShareAction head of UK policy, Luke Hildyard, says while “plenty” are open to having constructive conversations, there are “worrying signs” from others.

“Companies such as BP’s push towards an online-only AGM, for example, would make it harder for shareholders to ask questions and hold the board to account,” explains Hildyard. “Shareholder rights only work when they can actually be exercised, and investors, especially pension funds, need to be ready to use them this AGM season.”

The UK Stewardship Code

An influential factor has been the UK’s Stewardship Code, set by the Financial Reporting Council (FRC), which was recently revamped for 2026. This is a

➤ Summary

- Significant progress has been made within UK pension stewardship, although issues remain from regulatory complexity, inconsistent approaches and some schemes having less resources than others.
- The latest revamp of the UK’s Stewardship Code has been very unpopular, with some arguing it’s at odds with the wider regulatory attitudes aimed at fostering stronger stewardship.
- A fiduciary duty amendment to the Pension Schemes Bill has been welcomed, given the greater clarity and certainty it could bring to the topic.
- President Trump’s attack on proxy advisers has not directly impacted UK pension scheme stewardship, but concerns are spreading about the change in sentiment this could bring.

voluntary code designed to encourage stewardship best practices, but some in the industry have taken issue with its evolution. For instance, the 2020 Code stated in Principle Six that asset managers should explain “how assets have been managed in alignment with clients’ stewardship and investment policies”. That has since been deleted by the FRC, with fiduciary and stewardship regulatory obligations now placed down onto pension scheme trustees at the same footing as individual scheme beneficiaries.

According to Association of Member Nominated Trustees honorary president, Janice Turner, this means the new code “isn’t worth the paper it’s written on” for trustees. Instead, she says, this gives the appearance that asset managers have no

need to manage assets in alignment with the trustees' stewardship and investment policies.

"Apparently, it's now fine just to have the occasional dialogue," says Turner. "I fail to see the point of a stewardship code that undermines pension scheme trustees' stewardship responsibilities in this way."

Also concerned by this development is Bauer, who flags that the removal of explicit references to environmental and social factors from the definition of stewardship risks weakening the code's ability to address systemic risks and support long-term value creation.

"This shift appears inconsistent with broader regulatory and policy developments, which increasingly recognise sustainability issues such as climate change and biodiversity loss as financially material," says Bauer. "By narrowing the scope of stewardship, there is a risk the code reduces its influence in promoting responsible investment practices and supporting long-term financial stability."

The Pension Schemes Bill

Currently making its way through the legislative process, the Pension Schemes Bill could also impact schemes' stewardship activities. In October 2025, an amendment was tabled, after campaigning from ShareAction, that could clarify rules trustees need to follow when managing money invested in pensions. This work is required according to Hildyard, as it leaves no room for doubt about schemes' responsibilities: "Clearer guidance would have been genuinely helpful for pension funds' stewardship work because it sets out how this sits within fiduciary duty.

"When schemes can see that engaging on issues that matter to members – or on systemic risks that could undermine long-term returns – is firmly within their remit, they're able to act with far more confidence. Robust guidance gives them the evidence to back these decisions."

Such clarification would be helpful,

especially as some have said there lacks specific guidance around what a pension fund – and its staff – can do or should do. Labaton Keller Sucharow partner, Guillaume Buell, says this is needed especially when the pension landscape contains many differently sized and resourced schemes.

"The current state of UK pension stewardship is one of intention but with limitations"

"It would be quite helpful if the Pensions Scheme Bill were amended to include a discussion, ideally in broad terms, of fiduciary duty," says Buell. "How to get there, and what to do on the contours of those concepts, might not be the same for all asset owners. Hopefully, the Pension Schemes Bill will have language that permits trustees and officers the flexibility to always act in the best interests of their fund, including by doing all they can to maximise their ability to pay pensions and be good stewards of the assets."

Hughes Price Walker director, Ray Hughes, points to stewardship influence being closely linked to size. As such, he favours coordinated action for many schemes to achieve meaningful outcomes, with the bill potentially playing a confirmatory role here. However, he argues this is all hypothetical until assent is secured.

"Let's wait to see the final legislation and, if it survives, the related guidance," adds Hughes. "The House of Lords recently voted against this amendment."

Looking ahead

President Trump's executive order in December 2025, explicitly targeting Glass Lewis and ISS as "foreign-owned and politically motivated proxy advisers" sent a clear signal around the pensions world about stewardship. Fortunately, this seems to be contained to the US for

now, but sentiment changes are hard to ignore. In a survey IFP ran last year after Trump won the election, 93 per cent of UK and European institutional investors reported concern about sustainability under a Trump presidency, and 83 per cent said US developments influenced their strategies.

Here, Bauer says policy spillover is limited but concedes that sentiment impacts can be strong: "This creates a narrative and political risk, where stewardship and environmental, social and governance (ESG) become more contested, even if underlying investor behaviour remains stable.

"Importantly, investor commitment remains resilient, with 58 per cent reporting they planned to increase impact allocations, reinforcing the need to anchor stewardship in fiduciary duty and financial outcomes, not ideology."

Turner is already seeing an impact, with US funds dropping ESG policies as a result, and one asset manager even changing the name of its 'Listed company ESG principles and voting policies' to 'Listed Company Investment Principles and Voting policies.'

"If pension scheme trustees had the right to have their voting policy respected in pooled funds, it would mitigate this because asset managers would be required to vote in alignment with the client's policies even if they had dropped such issues from their own voting policies," adds Turner. "But as the new Stewardship Code allows fund managers merely to have the occasional dialogue with clients rather than respect their voting policy, this is enabling US policy to have greater impact in the UK."

Time will tell as to what extent this will impact UK pension stewardship, but it's clear – from complaints about inconsistent approaches and complex regulations – that more work is currently required domestically.

Written by Jon Yarker, a freelance journalist

Slowing down or fattening up?

🔍 **Laura Blows takes stock of the UK fiduciary management market, including the shift towards fewer, larger mandates**



🔍 Summary

- UK fiduciary management assets have grown over the past year, but the number of mandates has fallen for the first time since 2008, as more pension schemes de-risk and move toward buyouts.
- OCIO mandates now account for 53 per cent of the total AUM. Meanwhile, smaller schemes are seeing less provider competition.
- Fees are generally falling due to competition, especially for large mandates, while consolidation among providers and increased use of technology are reshaping how services are delivered.
- Scheme oversight of their FM providers remains somewhat patchy.

The UK fiduciary management (FM) market is continuing to grow, with total assets under management (AUM) having increased over the past year, now being north of £250 billion, a 58 per cent increase over the past three years, Quantum Advisory research found.

However, that is only one metric to measure its size. For the 12-month period to June 2025, the overall number of mandates for the UK FM market fell (by 4 per cent) – the first time it has done so since 2008, Isio's 2025 fiduciary management survey discovered.

"We have seen a reduction in the number of FM mandates, driven by FMs helping clients to secure insurance transactions," Isio director, Anthony Webb, explains.

Indeed, Quantum Advisory's research found that 55 per cent of mandates were now targeting returns of less than 1.5 per cent above liabilities, "reflecting a continued focus on risk reduction and protecting funding positions".

"We have witnessed rapid growth in the number of insurance transactions completed in the FM market, as schemes have matured quickly post-gilts crisis. Approximately 26 per cent of schemes using fully delegated FM are expected

to achieve buyout within the next three years," Webb adds.

Barnett Waddingham partner and head of outsourced investment services, Peter Daniels, suggests that another reason for the fewer FM mandates may be due to the use of investment/delegated consulting, "which can solve a lot of the administrative headache, without going all the way down the full fiduciary route".

TPT head of consultant relations, Katherine Lynas, agrees that as schemes de-risk and move out of complex growth assets into matching assets, "there is a part of the market questioning the value that a fiduciary manager will bring to those schemes". However, "this is missing the point" as fiduciary management is not just an investment solution but a governance solution as well, she adds.

Isio's research also noted more than 60 new mandates awarded during the year-period, "showing that although more schemes are exiting after securing insurance, new schemes continue to adopt the model," Webb says.

A larger influence

Isio's research found that FM mandates from small, sub £200 million schemes decreased over the year, while FM mandates for larger-sized pension funds

increased.

Another area for growth is for partial mandates, which had its assets under

management increase by 4 per cent to £68 billion, according to Isio's research.

While OCIO mandates remain relatively few in number (6 per cent as a proportion of the UK FM market), they now account for 53 per cent of the total AUM in the UK DB FM market, driven by several multi-billion-pound delegations," Webb says.

It was the pension schemes with assets of over £1 billion that drove 90 per cent of FM's AUM growth. This is despite 50 per cent of FM mandates being for schemes with AUM of less than £50 million, while less than 1 per cent of FM mandates, by number, are for schemes with AUM greater than £1 billion, Quantum Advisory's research found.

"We find that services often differ based on different scheme sizes, with larger schemes providing the scale to warrant more bespoke or tailored solutions, whereas smaller schemes tend to have more of a 'cookie-cutter' solution," Webb says.

However, Lynas feels OCIO may not be just for larger schemes. "It is more to do with if a scheme has a complex investment strategy or a benefit structure as to whether they would go down the OCIO route or not", she says, noting that its use is starting to come down from the £1 billion scheme size.

Webb suggests that "there is often new manager research or technology/platforms required to service OCIO mandates. Once developed and implemented, this can then filter down to smaller schemes in a more cost-effective manner".

Fees

IC Select's 2025 annual survey of the FM market noted that FM fees have fallen 27 per cent over the past five years, due to a combination of new services by lower-cost providers and more intense competition between fiduciary managers, it suggested.

However, Quantum Advisory principal investment consultant, Anne-Marie Gillon, notes that while fees are tightening at the top end, smaller schemes still face wide variation.

Lynas notes that fees for sub £50 million schemes have started to increase slightly, "and there are probably fewer fiduciary managers willing to tender at that end".

"For the first time in three years, we have seen an increase in FM fees for mandates up to £50 million in size," Webb says. "In contrast, competition amongst providers to win large FM mandates and OCIO arrangements continues to drive down FM fees for mandates over £500 million in size. These mandates may also attract bespoke pricing and enhanced service models, intensifying competition among providers."

Consolidation

As well as competition, there has been a great deal of consolidation among FM providers in recent years. This includes Mercer acquiring both Cardano and Secor Asset Management, along with Nuveen Asset Management in the process of purchasing Schroders.

The sector has also seen companies such as Brightwell, TPT, Insight and Momentum register as FMs, and Columbia Threadneedle exit the FM market.

"The FM market is growing increasingly competitive, and we believe cost pressures and the need for more in-house innovation has driven some of the recent acquisitions in the FM market," Webb states.

Technology

Indeed, Lynas feels that "some of the

processes and systems in the legacy fiduciary management universe are maybe not as modern as they could be, and therefore having an impact on the service that they can supply".

Utilising that latest of technologies, AI, are 85 per cent of FM firms, Isio's research found, primarily for efficiency and lower-risk operation, such as drafting reports and responding to emails.

Oversight

Webb also notes that AI is currently not used by fiduciary managers to make independent trading decisions.

Maybe its use would be welcomed, as Barnett Waddingham's 2025 research found that FMs are still recovering from the financial shocks of recent years, and long-term investment performance remains 'underwhelming'.

It discovered that while most FMs achieved their investment objectives in 2024, "many struggled to beat their objectives over the longer term despite relatively favourable conditions in the equity markets".

Notably, the report highlighted an emerging divide between top- and bottom-performing FMs, with increasing dispersion in returns among clients within the same FM.

Client service, performance and fees have historically driven FM provider reviews, Gillon notes.

According to Daniels, to change provider, "you want to be confident that you will get something better".

"From a performance perspective, that can be quite a difficult assessment to make... what we are seeing is those pension schemes moving probably had a bad experience, for instance from the 2022 LDI crisis, which meant they reached that quite high bar for wanting to move," he says.

While the Pensions Regulator and Competition & Markets Authority have emphasised the need for schemes to monitor FM arrangements, "cost considerations mean independent

oversight remains limited across smaller schemes, even as pressure on schemes to demonstrate robust governance keeps climbing", Gillon says.

A recent study from XPS Group discovered that only one in three UK pension schemes using fiduciary management have formal, independent oversight in place.

"I think part of the barrier has been that a lot of schemes using fiduciary managers are relatively small, and monitoring has been costly so far," Daniels says. "What we have seen more recently is a trend towards more cost-effective monitoring solutions."

XPS also noted that FM's own oversight of environmental, social, and governance (ESG) issues stalled in 2025, with just 21 per cent of fiduciary managers rated as 'green' by XPS in 2025, down from 38 per cent in 2024.

Future plans

Looking ahead, Gillon finds that FM providers are shifting towards liquidity-focused portfolios, to support schemes nearing their long-term goals.

Van Lanschot Kempen managing director, UK fiduciary management, Patrick Race, expects the trend for larger schemes to outsource to a FM provider to continue, to best harness surplus generation through continual fund monitoring.

"But the interesting work is in the £2-5 billion zone, he adds, "where they never would have thought about outsourcing before, because they could get a good survey from a consultant. But that does seem to be a trend that has got a lot of legs."

Gillon notes that some FMs are already supporting schemes that plan to run on and share surplus with members and sponsors. She explains: "Despite the complexity involved, the FM model can make this viable even for schemes as small as £50 million."

 **Written Laura Blows**

CDI – a new dawn

▶ Lynn Strongin Dodds looks at how CDI strategies are evolving in the context of today's pensions landscape

Cash-driven investing (CDI) remains an important tool in the pensions space, especially as larger schemes are considering run-ons over buyouts.

Surpluses and changing market conditions have meant schemes are shortening their time horizons and diversifying. The biggest risk remains default, which is why DB schemes need to be prepared and conduct stress, and scenario, testing.

CDI, in this context, is still considered an important plank in a UK DB scheme, but strategies are evolving due to better funding levels, increased volatility and widening credit spreads. Views differ as to the best approach, but many agree that diversification and shorter duration are the way forward.

WTW portfolio manager, Chris Thompson, argues that CDI adoption is accelerating because many DB schemes are now materially better funded than even a few years ago and, as a result, have much lower levels of investment risk. "At

the same time, regulatory developments and increased flexibility around surplus are forcing more purposeful discussions about a scheme's mission and endgame," he adds.

A surplus of interest

Mercer senior investment consultant, James Brundrett, echoes these sentiments. Many are taking a "purposeful pause and asking what we should do with our surpluses". CDI, he adds, "is part of the process, especially now because it can dampen the effects of volatility".

There is no doubt that schemes are in a healthier state than in 2022, when the then Prime Minister, Liz Truss, introduced a mini-Budget that almost derailed the gilt market. This triggered a liquidity crisis for those schemes using liability-driven investing (LDI), prompting the Bank of England to stage an emergency intervention.

Fast forward to today and the latest PwC Pension Funding index reveals

▶ Summary

- CDI strategies are evolving amid improved funding, higher volatility and wider credit spreads.
- Views differ on the optimal CDI approach.
- Pension schemes are adopting insurer-style strategies to secure predictable cashflows.
- The shift toward a holistic CDI approach has strengthened.
- Income-generating assets are key to endgame strategies, while growth still plays a role.

that UK DB schemes recorded aggregate surpluses estimated between £175 billion and £300 billion on a buyout basis during 2025 and early 2026. While handing over to an insurer still remains the most popular route, the bountiful coffers have also led to a shift in focus from deficit repair to considering run-on strategies.

This trend is also being encouraged by the DB Funding Code, which came into effect in 2024, and lowers the threshold for surplus release from the current buyout to a low-dependency level. This translates into a strategy that is highly resilient to short-term market shocks and matches asset cashflows to benefit payments.

Unsurprisingly, size is the main determinant regarding which route to take. A separate PwC study, which canvassed UK DB schemes with assets totalling more than £100 billion, found many are at a

crossroads, with four out of five unsure whether to choose a buyout or run-on.

The UK's largest schemes, though, seem to be taking a more decisive stand with 70 per cent opting for the latter, nearly double the 38 per cent just 12 months ago, according to the *Endgame & Surplus Report 2026* from Brightwell and Mallowstreet.

Schroders global co-head of client solutions, Ajeet Manjrekar, notes that pension schemes are increasingly thinking like insurers to implement portfolios that provide high levels of certainty and security of cashflows. The challenge is that the current landscape is trickier to navigate today, with the current conflict in Iran loosening credit spreads that had been unusually narrow for several years.

Analysts expect oil prices to remain high for the foreseeable future, which is stoking fears that inflation will return with a vengeance. This explains why many schemes are looking to shorten their CDI horizons.

Shortening horizons

As Manjrekar puts it, the past few years have seen the additional return or spread over government bonds trending lower on investment grade corporate bonds, making the de-risk to CDI strategies appear more expensive to implement or purchase today.

However, he adds that with recent uncertainty, credit spreads have widened slightly, making these assets marginally more attractive. This was similar post Liberation Day last April and the introduction of a plethora of tariffs. Schemes were able to move quickly, or by having delegated these decisions to an implementation partner, topped-up allocations at more attractive levels.

"Ultimately," he says, "in periods of heightened volatility, the key questions that trustees and their advisers need to assess are whether these generally lower credit spreads relative to government bonds – given perceived risk in sovereign debt markets as fiscal positions are

strained – are here to stay and what can be done in the meantime."

A holistic approach

The current climate has also reinforced the move to a more holistic approach to CDI, which took hold four years ago. Thompson advocates looking at CDI as a broad concept with assets being selected based on how well they support the scheme's objective and not because they fit a particular label.

"This is aligned to the Total Portfolio Approach (TPA), which is a hot topic across the industry right now," he adds.

"Maintaining optionality and pricing discipline remains key, rather than fully committing to long-horizon CDI at compressed spreads"

In contrast to the more traditionally used strategic asset allocation framework, which depends more on setting a portfolio policy and fixed asset class benchmarks, the TPA emphasises flexible, objective-driven allocation managed by integrated teams. The theory is that portfolios will not only be more in sync with an investor's objectives but will also withstand and adapt to changing market conditions.

In practice and within a CDI context, Thompson says that income-generating assets are central to most endgames, including short-term insurance, running on for a period to generate surplus and more, but portfolios should not be constrained to income alone. Growth assets, he thinks, also have a role to play where upside potential supports the objective.

Russell Investments associate director EMEA, Aqib Merchant, is also seeing greater demand for CDI solutions to meet short-to-medium-term cashflow needs, helping schemes avoid selling growth assets at depressed prices and

improving liquidity management. "Maintaining optionality and pricing discipline remains key, rather than fully committing to long-horizon CDI at compressed spreads, especially when insurer balance sheets have fewer credit assets in them," he adds.

He also concurs that many schemes have moved beyond evergreen investment with a greater use of maturing buy-and-maintain strategies and more diversified income sources across fixed income, real assets and private markets.

Brundett concurs, adding that "pension funds have greater flexibility to invest where the returns are, but they still need to cater for any unexpected shocks". "Also, as more schemes look at run-on, in the current environment, they will be more interested in shorter duration contractual income assets that match cashflows rather than longer dated, 20-year illiquid assets," he adds.

Liquidity, of course, will always be the main goal and, as Insight Investment head of solution design, Jos Vermeulen, notes the ultimate goal for DB schemes is to have enough liquid assets to pay pensions and not be a forced seller. The biggest risk is default, which is why DB schemes need to be selective and diversify their credit risk as well as conduct regular stress and scenario testing.

DB schemes should also remember the lessons learnt during the turmoil created by the mini Budget, according to M&G head of insurance solutions, global client group, Russell Lee. This means being able to meet collateral calls linked to LDI hedging.

"Many therefore maintain high gilt allocations or rely on mechanisms such as repo facilities, bank arrangements or sponsor backstops to raise cash quickly when needed," he adds.

Larger schemes are also giving LDI managers broader tools to support efficient liquidity generation, a trend that accelerated after the gilt volatility of 2022."

 Written by Lynn Strongin Dodds

Inside track

Summary

- Pension schemes are increasingly bringing investment capabilities in-house to improve control, alignment and outcomes.
- However, measuring success remains complex, with schemes relying on multi-dimensional frameworks rather than single benchmarks.
- As adoption grows, governance, scale and clear performance measurement are becoming critical to proving value.

➤ Callum Conway explores how pension schemes are measuring and justifying the value of in-house investment as adoption grows across the UK market

In-house investment is becoming an increasingly prominent feature of the UK pensions landscape, as schemes look to strengthen control and alignment with evolving regulatory and market demands.

Once seen primarily as a route to cost savings, internal investment capability is now viewed as a way to align portfolios with scheme-specific objectives and improve member outcomes.

Yet as more schemes adopt or expand internal capabilities, a fundamental question is emerging: How do trustees clearly evidence that these models are delivering value?

Looking abroad

Internationally, some of the most advanced pension systems demonstrate what in-house investment can achieve at scale over long periods.

Canadian funds such as the Canada Pension Plan Investment Board and

Ontario Teachers' Pension Plan have built global teams capable of originating direct investments across private markets, often taking controlling stakes and co-investing alongside partners to reduce fee drag and enhance returns.

In Australia, funds including AustralianSuper are increasingly internalising private-market capabilities, while Dutch investors such as APG and PGGM embed in-house expertise into governance-led, sustainability-focused strategies.

Against this backdrop, speaking at the Pensions UK Investment Conference, LGPS Central chief investment officer, Jayne Atkinson, suggested that improving in-house capability required looking beyond the UK market.

"If you look across to South Africa, some pension funds are designing in-house annuity provision because their annuity market isn't built up as it is in the UK.

"The Australian funds have done some great things in relation to DC, and we can learn from our Canadian peers as well," she said.

Echoing this, Nest Insight chief investment officer, Elizabeth Fernando, emphasises the importance of learning from both peers and managers.

"There isn't one source of wisdom... the more you can learn from others – what they would do differently, what works and what doesn't – the more it informs your thinking."

However, WTW senior director, DB advisory and fiduciary management, Ben Johnson, cautions that many international in-house models have been developed over decades, and in a different policy environment.

"The lesson for UK schemes isn't replication, but adopting the underlying principles of clarity of mission, disciplined decision-making and acting proportionately to scale," he argues.

Defining success

Across the industry, there is a broad consensus that traditional, single-metric approaches to performance are no longer sufficient.

Instead, People's Partnership chief investment officer, Dan Mikulskis, describes performance as a "mosaic" built from multiple reference points, including fund targets, market benchmarks, and peer comparisons.

"Our primary measure of success is the net returns we can deliver to our members over the long term, but even that has multiple dimensions," he explains.

"Each of these measurement dimensions gives a slightly different message and can give conflicting signals at different times."

Mikulskis adds that different time horizons are also critical, with shorter-term performance offering insight into trends, while longer-term figures demonstrate whether the strategy is delivering over time.

Similarly, Fidelity International investment director for FutureWise, James Monk, argues that success must ultimately be judged through the lens of member outcomes, with an increasing emphasis on how returns are generated.

The benefits of a multi-dimensional approach are echoed by TPT Investment Management investment director, Peter Smith.

"Performance should be viewed holistically... success is not about outperforming in a vacuum, but about delivering returns aligned with liabilities and long-term objectives," he notes, stressing that metrics such as net returns, risk-adjusted outcomes and funding level progression should be considered together.

At the Universities Superannuation Scheme, this view is reflected in a balanced scorecard approach.

Its chief risk officer, Lindsey Matthews, confirms that performance is assessed across resilience, liquidity, risk

management, and returns.

However, for many in-house teams, benchmarking remains a persistent challenge.

Mikulskis acknowledges that motivations for in-sourcing extend beyond returns, including control and alignment, but stresses that oversight must still ensure value for money through competitive long-term performance relative to peers.

Yet, others warn that peer comparisons can be misleading.

Johnson states that schemes with different objectives and constraints should not expect comparable outcomes. "The most effective in-house teams define success by whether the scheme can deliver its mission, not whether it tops a peer table," he adds.

"Success is not about outperforming in a vacuum, but about delivering returns that are aligned with the scheme's liabilities and long-term objectives"

Smith also cautions against over-reliance on peer comparisons, emphasising the importance of assessing both manager selection and broader asset allocation decisions instead.

"At the most granular level, schemes can assess whether they have selected high-quality underlying managers... but this is only part of the picture," he explains.

"Schemes also need to evaluate broader asset allocation decisions, which are often the primary driver of outcomes."

Russell Investments senior director and EMEA client CIO lead, Kilian Thevissen, agrees that benchmarking in-house activity should extend "well beyond" peer comparisons.

"Internally managed strategies need to be held to the same standard as external managers, assessed against objective market benchmarks as well as total portfolio outcomes. Without this discipline, it is difficult to judge whether the operating model remains efficient."

Value for money

As schemes internalise more of their investment capability, the new value for money (VFM) framework will become a key tool for assessing whether these models are genuinely delivering better outcomes.

The framework aims to improve consistency in performance reporting, particularly in the DC market, by shifting focus beyond charges to net returns, risk and member outcomes.

However, New Capital Consensus policy director, Dan Hedley, argues that it remains too focused on cost.

"There's a gap around measuring member outcomes and tracking value beyond fees. We believe in deploying an 'effectivity screen' which utilises forward-looking VFM metrics, not just those focused on the rear-view mirror," he says.

"They need to be multi-dimensional enough to ensure that the output of these metrics can be put to different uses – from regulatory scrutiny to union members holding their DC trustees to account."

Mikulskis also highlights a lack of transparency in the DC market, where inconsistent reporting makes comparisons difficult, although he notes a gradual shift towards more value-based approaches.

At the same time, there is caution around over-standardisation, as Johnson warns that overly simplistic metrics risk encouraging herding.

"This approach will fail pensioners twice – both in weakened returns and a lack of patient capital deployed in the areas where they retire," he predicts.

"Stronger policy signals are needed to encourage UK productive asset

investment from passive overseas investment back onshore to funding domestic growth companies.”

Governance

As measurement frameworks evolve, experts agree that governance remains central to ensuring accountability for in-house teams.

Mikulskis highlights the importance of organisational design and clear decision-making structures, while Smith emphasises the need for dedicated investment committees with appropriate expertise.

“The board and in-house team need a clear delineation of responsibilities,” Smith states, adding that trustees should focus on strategy while delegating implementation.

Echoing this, Russell Investments senior director, EMEA client CIO lead, Kilian Thevissen, stresses that, to achieve effective governance, it is important to distinguish between the two roles that in-house teams can play.

“Advising the trustee board on investment strategy and portfolio construction while delegating implementation to external managers, versus a model where the in-house team also directly manages parts of the portfolio,” he outlines.

“The latter introduces potential conflicts, as investment strategy decisions may be influenced by personnel considerations, for example, where strategic changes could render parts of the in-house team redundant, potentially constraining optimal decision-making.”

Where to start?

For schemes considering bringing investment capabilities in-house, barriers around scale, governance and resourcing can make it difficult to take the first step.

With this in mind, Smith notes that building an in-house function is typically only viable for larger schemes.

“The starting point is scale and



“The most effective in-house teams define success by whether the scheme can deliver its mission, not whether it tops a peer table”

sustainability,” he says.

“Building an in-house investment function requires significant resources, both in terms of hiring experienced professionals and developing the supporting infrastructure.”

Echoing this, Hedley notes that funds with a “critical mass” can provide more direct control over asset allocation, better manage risk, and align incentives with member outcomes.

“They also enable deeper, scheme-specific expertise and can be more flexible in pursuing effective UK investments, which improve outcomes for savers and society,” he adds.

Meanwhile, Smith suggests that, in practice, there is often a gradual progression towards in-house capacity.

He describes how schemes may begin by internalising simpler asset classes such as fixed income or certain real assets, before moving into more complex areas.

Mikulskis also highlights the role of hybrid models, which combine internal oversight with external execution, allowing schemes to focus on higher-value activities such as asset allocation and portfolio construction.

Johnson agrees, noting that many schemes begin by internalising portfolio construction and liquidity management, while renting specialist expertise or capabilities elsewhere, and then adding more in-house resource as they grow.

He adds: “We’re also seeing a clear shift from arms-length mandates to strategic partnerships, where asset owners and service providers solve problems together, acting as an extension of the in-house team.”

However, the move to in-house still carries associated risks, and Smith suggests they are structural rather than purely investment-related.

“These include underestimating the cost and complexity of building and maintaining a team, challenges around attracting and retaining talent, and ensuring appropriate incentive structures,” he explains.

“There is also a risk of misalignment between the scheme’s long-term direction and the investment function.

“For example, as schemes mature and move towards buyout or run-off, the scope for active investment decision-making may diminish, making it harder to justify a large internal team.”

Making it count

In-house investment is no longer simply a question of cost or control – it is a matter of accountability.

As more schemes build internal capability, the ability to define, measure, and demonstrate success is becoming central to the model’s credibility.

The shift towards multi-dimensional frameworks reflects a more mature approach, but challenges remain around benchmarking, transparency and alignment with long-term objectives.

For schemes considering moving in-house, one principle stands out: internal investment is not an end in itself, but a means to delivering better outcomes for members.

 **Written by Callum Conway**

Summary

- The latest in a series of consultations on the value for money (VFM) framework ran from January to March this year and introduced changes, including proposals for the use of Forward-Looking Metrics (FLMs) assessing investment performance.
- There are concerns in the industry about the assumptions underlying proposed FLMs and a general lack of detail about how the framework will operate, as the 2028 deadline for implementation approaches.
- There are also concerns about how implementation of the framework will influence the DC market in future, including the possibility of 'herding' distorting investment strategies; and market consolidation reducing competition and innovation.
- Nonetheless, there appears to be widespread support for the aims of the framework, provided the industry is able to maintain a focus on member outcomes. In future, the framework may also be applied to aspects of the decumulation phase.

A difficult landing

➤ Policymakers are taking a long time to finalise the value for money (VFM) framework for DC schemes. But that may be a wise move, as the framework needs to function alongside so many other competing regulatory and political priorities. David Adams reports on industry preparations for VFM implementation, and considers how it might influence the pensions landscape in the longer term

The launch of a new Nasa lunar mission in April 2026, after a gap of more than 53 years, is a reminder that some things take a lot of planning and patience – and that some things are even more complicated than devising an effective value for money (VFM) framework for DC pension schemes.

Building and successfully implementing the VFM framework is certainly proving very difficult. Its purpose is to ensure that workplace pension providers, employers, trustees and Independent Governance Committees (IGCs) overseeing contract-based schemes focus on delivering long-term value and optimum outcomes for scheme members and savers, rather than on minimising short-term costs.

The current proposed version of

the framework, revealed in the latest of a series of consultations, which ran from 8 January to 8 March this year, would assess schemes and other vehicles against forward-looking metrics (FLMs) on expected investment returns, as well as backward-looking metrics (BLMs) covering previous investment performance, costs, fees and some aspects of service.

FLMs will set out expected net returns and associated risks over 10 years, based on assumptions tailored to the scheme's investment strategies. Those assumptions will not be publicly disclosed, but schemes must obtain third-party independent advice to confirm they are 'reasonable'. Schemes or arrangements will be assessed against a commercial market comparator group, then be given a rating of Dark Green (strong



performance), Light Green (offering good value), Amber or Red.

Those with a Red rating must either improve, or (more likely, in the view of both The Pensions Regulator (TPR) and the government) close to new business and seek to transfer members into alternative pension vehicles. The framework would also enable (via the Pension Schemes Bill) contractual overrides for contract-based schemes, so members can be transferred without their consent if necessary. VFM will apply at first to default and 'quasi-default' legacy DC workplace arrangements, but may be extended to other DC arrangements and to the decumulation phase in future. While further consultations will follow, the framework is expected to be in operation by the end of 2028.

"It is difficult for people to plan at the moment, because we don't know what the final rules will be," says Sackers partner, Andy Lewis. "Nevertheless, providers will need help with their data pretty much from now on. I'm not sure there's a lot that trustees and IGCs can do right now, other than continue to follow developments."

“Large, complex schemes should require richer metrics, transparency and a more nuanced understanding of how their value is being created over the lifetimes of their members”

Inappropriate assumptions?

Zedra client director, Anne Sander, runs Zedra’s Governance Advisory Arrangement (GAA) offering for contract-based pension schemes. She highlights difficulties likely to arise in comparing metrics likely to be used by different providers or schemes. For example, a provider’s administration fees will cover a range of services that differ significantly from those offered by another. She fears some providers will end up cutting services that might add a great deal of value for some pension savers or members but that also increase administration costs.

“There’s a danger that in the longer term we will see less innovation, because innovation costs money,” she warns.

Pi Partnership governance consultant

and scheme secretary, Laura Johns, is among some in the industry who have concerns about the efficacy of some FLMs that may be used and the assumptions behind them.

“Even a small change in assumptions can drastically change what’s being shown,” she warns. The Society of Pension Professionals (SPP) response to the latest consultation states that its support for allowing firms and trustees to set assumptions for FLMs is based on use of effective guardrails that “mitigate the risk of optimistic assumptions being used to obscure poor past performance, to game comparative assessments or to improve overall VFM ratings”.

Another significant concern is that poor VFM ratings could lead to the demise of schemes or vehicles, or the

departure of providers from the market, which might have continued to serve members or savers effectively if remedial action were applied. Pensions UK has suggested a ‘light touch’ regime for the first year of VFM to help the industry to adapt to the new system.

“You would still be running the process, but making sure everything is done correctly,” says Pensions UK head of DC, master trusts and lifetime savings Phil Brown.

Implementation of the VFM framework could also have a significant influence on scheme or provider investment strategies, as they seek to maintain a Green rating. It may lead to ‘herding’ around investments that seem likely to help secure that rating, as has been seen in Australia following



implementation of a similar regulatory regime.

“No-one knows for sure that it will influence behaviour that way, but there is definitely a risk that it will,” says SPP DC Committee chair, David James.

But this imperative to maintain a Green rating will also need to be accommodated alongside increasing pressure from government to invest in ‘productive’, UK-based assets. While these investments may outperform other asset classes in the longer term, schemes may have to endure significant volatility to access those returns. As Hymans Robertson partner and head of DC investment, Alison Leslie, points out, the nature of some private markets assets means there will be periods during which they do not appear to be performing very

well, so judging their performance over a two year period doesn’t make sense.

She thinks it will be necessary to provide additional information alongside VFM assessments, explaining why strategies using these assets may at times appear to be providing poor value in comparison to use of strategies that make use of different underlying holdings.

“Private markets assets cover a wide spectrum, so comparison of like with like is crucial,” she says. “There needs to be a qualitative overview, and the time period within which you assess these schemes needs to be longer.”

Consequences of consolidation

The introduction of VFM will almost certainly encourage consolidation among schemes and perhaps also providers in the DC market, a stated policy objective of both TPR and the government.

“In the contract-based space consolidation could be really helpful, if combined with the removal of the need to get consent from members to move them,” says Leslie. “But it may lead to good providers being closed, meaning it will stifle innovation and could lead to a loss of confidence in the pensions system *[among savers]*.”

Pensions Management Institute (PMI) chief strategy officer, Helen Forrest Hall, believes one consequence of consolidation should be further enhancements of the regulatory regime, to help ensure better member outcomes.

“Large, complex schemes should require richer metrics, transparency and a more nuanced understanding of how their value is being created over the lifetimes of their members,” she says.

But Sander fears consolidation within the market that makes it more difficult for smaller new entrants to compete could discourage innovation.

“It may be that with fewer but larger providers that’s great for government oversight, but in the end savers will be

poorer for it,” she suggests.

“There will be less choice, but in theory better governance,” says Johns. “There needs to be some maintenance of competitive tension and innovation. But I think this is the right way forward.”

Forrest Hall believes VFM “has the potential to strengthen DC pensions”, but she also hopes that in future VFM will also offer an assessment of value offered by a scheme or provider during the decumulation phase.

“We don’t think VFM should be rewarding pot size alone,” she says. “It should be an assessment of how effectively is an arrangement turning your pot into the retirement income you are looking to achieve.”

Noting that “consumers are struggling to understand the value they’re getting from pension providers”, David James says the SPP is working on a paper discussing the future expansion of the framework to offer more help to consumers, which should be published within the next few months.

After all, for all the complaints coming from the pensions industry about preparing for VFM alongside other regulatory and systemic changes, it may be that individuals’ perceptions of the value for money they get from their pension has the greatest impact on the future of the pensions system.

“What do people actually value about their pension arrangement?” James asks. Even though this is another question the industry has been grappling with for years, he is undoubtedly correct when he says: “There’s a lot of thinking still to be done about that.”

Improving member engagement and understanding of pensions is another long-awaited mission for the industry. Perhaps VFM, alongside the dashboards and targeted support initiatives, will finally inspire a successful take-off.

 Written by by Dave Adams, a freelance journalist

This full member buyout follows a full member buy-in in July 2024. Can you tell us about how the transaction evolved from buy-in to buyout, and what drove the timing of the deal?

Emma Moscrop: Whilst it is common to move from a buy-in to a buyout, the pension trustees and Macmillan Cancer Support used the months following the buy-in as a time to further assess how Aviva operates, including its technical accuracy, timeliness and processes.

The pension trustees and Macmillan were determined that the members should still receive a high-level service going forward. The additional months working with Aviva on data cleansing, benefit verification and member payments gave the pension trustees and Macmillan confidence in Aviva's operations to conclude that a buyout would be in the best interests of the members.

Once a decision had been made to proceed to buyout, the pension trustees and Macmillan were keen to progress as quickly as possible. Having run the tender process to select an insurer for the buy-in, Aon assisted the pension trustees with creating and updating a detailed buyout project plan, which incorporated Aviva's milestones.

The pension trustees and Macmillan continued to use a joint working group, which was set up for the buy-in to discuss issues and progress decisions. Regular meetings were also scheduled with Aviva for this purpose. Collaboration was key between the three parties and their advisers.

➤ **As part of the transaction, the trustees were able to return a surplus to Macmillan Cancer Support. How was that achieved, and what does it mean for the charity?**

Moscrop: The pension trustees worked with their trusted advisers



Aviva bulk purchase annuity deal manager, Paul Donnelly



Macmillan Cancer Support Pension Scheme secretary to the trustees, Emma Moscrop

Giving back

➤ ***Pensions Age* sits down with Aviva bulk purchase annuity deal manager, Paul Donnelly, and Macmillan Cancer Support Pension Scheme secretary to the trustees, Emma Moscrop, to discuss the full member buyout, which followed its 2024 buy-in, and saw the scheme return a surplus of approximately £2.5 million to Macmillan Cancer Support**

(particularly First Actuarial, Pinsent Masons and Van Lanschot Kempen Investment Managements (UK)) over a long period to achieve self-sufficiency.

As far back as 2007, a decision was taken to focus more on investment and governance and the scheme's first professional independent trustee was appointed (an important role, which has been held by Zedra Governance in the preparation for, and execution of, the buy-in and buyout). A thorough investment strategy review followed in 2008, and the 2010 appointment of a fiduciary manager, MN Services (which later became Kempen and then Van Lanschot Kempen Investment Management).

The fiduciary manager's investment advice and help with setting the scheme's

investment strategy, asset allocation, overlays and bandwidths allowed the pension trustees to focus on the scheme's liabilities, diversification of the scheme's purely equity holdings and looking for opportunities to reduce risk, which led to the scheme moving from deficit to a healthy funding level over a number of years.

Just before the Covid epidemic, the pension trustees moved out of equities completely, which proved to be well-advised. Post-Covid, it became clear to the pension trustees that, subject to Macmillan's agreement, a buy-in would provide the most security for members' benefits and was achievable financially.

The surplus ultimately returned by the scheme to Macmillan Cancer Support in March 2026 was almost £2.7 million to

be used for its charitable purposes. The pension trustees ensured that members' existing benefits were secured in full and also secured some improvements to benefits for members.

Macmillan had supported the scheme over the years, including making two lump-sum payments when the scheme was in deficit, so the pension trustees felt that it was appropriate that, rather than creating further new pension benefits for current members (preferring those members over members who had already received all or most of their pension), the surplus be used to benefit those affected by cancer.

At a time when world politics and economics may again adversely impact charitable donations, all parties are delighted that the scheme has not only secured all members' benefits but also managed to enhance some of those and make a real difference for those affected by cancer.

➤ Were there any significant challenges or setbacks during the buyout process? If so, how were they overcome?

Paul Donnelly: From Aviva's perspective, the process continued smoothly. A key success factor was the continued focus on interim milestones; maintaining momentum through the transition phase was vital to ensuring the project stayed aligned and efficient.

Moscrop: Overall, both the buy-in and the buyout proceeded smoothly and to plan. Obtaining information from members confirming their benefits always seems to take up a disproportionate amount of time, as did dealing with a very small number of historical annuities and additional voluntary contributions.

Our advice to anyone going through this process is to deal as early as possible

with the anomalies, so they don't hold up the overall process.

➤ What are the implications of this transaction for pension scheme members, both in the short and long term?

Moscrop: In the short term, members will notice very little change. Their benefits either remain exactly as they were or have been enhanced, and pensioners continue to receive their pension payments monthly, just from Aviva rather than the scheme.

Donnelly: In the longer term, as Aviva policyholders, members will benefit from Aviva's dedicated annuity service teams, who support hundreds of thousands of annuity customers across the UK.

For members, the buyout provides long-term security: their benefits are backed by a large insurer and protected by the UK regulatory and capital regime. The buyout marks the culmination of the pension trustees' hard work to secure members' pensions in full for life.

➤ Throughout the transaction process, how did the trustees balance securing members' benefits with Macmillan Cancer Support's broader charitable financial objectives?

Moscrop: The pension trustees' responsibilities were to the members, rather than to Macmillan as principal employer.

They worked with Macmillan's director of finance and procurement, who was Macmillan's representative on the joint working group, and reported back to Macmillan's trustees to ensure the buy-in and buyout did not clash with Macmillan's broader charitable financial objectives.

The fact that, from the start of the buy-in project, the scheme was in surplus

and would be able to secure all members' benefits in full and with some enhancement, as well as pay the surplus to Macmillan for use towards its charitable objectives, meant that the pension trustees and Macmillan were pulling in the same direction throughout.

➤ Can you talk us through this transaction from Aviva's perspective, and how it fits within the broader pipeline of deals you're seeing at the moment?

Donnelly: The request for a quotation came through early in 2024 using our new Aviva Clarity template, which launched in April that year.

Clarity was designed to give schemes a simple, streamlined route to obtain BPA quotations and this scheme was one of the first to complete a transaction using the new process.

Demand in the sub-£100 million market remains extremely strong, and Aviva Clarity is helping us respond efficiently and consistently. Earlier this year, we announced that more than 100 schemes had completed transactions through the Aviva Clarity process and 2026 is shaping up to be just as busy as previous years in this part of the market.

➤ Are you seeing any shifts in demand, particularly from smaller schemes moving toward buyout?

Donnelly: Yes, demand from smaller schemes continues to be very high. While price is always an important factor, we're increasingly seeing trustees focus on non-price elements too. That includes the ease of the overall process and the experience members receive once they transition to individual policies.

Alongside the Aviva Clarity service, we've enhanced our post-transaction processes to ensure a smooth, end-to-end journey for trustees and a high-quality experience for members as they become Aviva customers.

Written by Paige Perrin



Summary

- Calls for a pension adequacy review have intensified as a significant portion of employees continue to contribute at the minimum auto-enrolment (AE) level, which is deemed insufficient for a secure retirement.
- Experts highlight the ongoing lack of consensus on how much to increase AE contributions, with concerns about the economic climate complicating the implementation of necessary changes.
- There is strong support for phased and pre-announced increases in the form of a roadmap for AE contributions, especially following the government giving the Pensions Commission the task of examining pension adequacy.



Getting the timing right

Developing a roadmap to increase auto-enrolment contributions presents a substantial challenge, particularly when it comes to determining the 'right time' to act. Paige Perrin explores how this issue can be tackled, and the role the Pensions Commission may play in addressing this

Since the introduction of auto-enrolment (AE) in 2012, contribution levels have remained largely unchanged, prompting growing calls for a review. Following the Labour government's election in 2024, its commitment to examine pension adequacy and its revival of the Pensions Commission seem to have at last pushed the issue firmly up the agenda.

As many in the industry argue, this focus is long overdue. Demonstrating this, data from the Department for Work and Pensions (DWP) shows that 30 per cent of private sector DC employees are still saving at the AE minimum level, which is widely considered insufficient for an adequate retirement.

While there is broad agreement that contributions need to rise, the challenge lies in how and when to act. Against a backdrop of cost-of-living pressures, global instability and wider economic uncertainty, identifying the 'right time' is far from straightforward.

"One of the biggest challenges for policymakers is the current fiscal environment, which will make them

understandably cautious about anything that could be perceived as adding costs for employers or reducing take-home pay for workers," Quilter retirement specialist, Adam Cole, says.

Building a clear consensus

Despite the recognition of the necessity to improve retirement adequacy quickly, Pensions Policy Institute director, Chris Curry, highlights that there is still difficulty in creating a consensus about the right level for these increases.

"There seems to be a kind of coalescence [amongst the industry] around 12 per cent of earnings, but there's work ... which shows that that's not enough for some people and too much for others... finding a single answer is always really difficult," Curry says.

Meanwhile, LCP partner, Steve Webb, argues that timing is also a major issue, saying: "There's never really a 'right time' to increase contributions".

"The DWP ran a 2017 AE review which proposed some quite modest incremental changes (applying the 8 per cent from the first pound and bringing

in the 18-21-year-olds), but there was no political priority to implementing even these modest changes. No doubt things like dealing with Brexit, the pandemic, and a cost-of-living crisis triggered by a war in Europe didn't help," Webb says.

Cole agrees with Webb, stating that: "Even signalling the start of a roadmap to higher pension contributions risks criticism that the government is imposing further financial pressure at a time when many households and businesses are already stretched".

"The big problem has been that there was never a timetable to go beyond 8 per cent," Webb explains. He adds that while the Turner Commission built consensus around AE, employers were hesitant to commit beyond 3 per cent, making a "half a loaf" approach necessary to "get it off the ground".

Possible solutions

The Investing and Saving Alliance head of products and long-term saving, Renny Biggins, reasons that "continued delay only compounds the adequacy problem" and therefore suggests that the increase in contributions "needs to be framed in the right way".

Curry also emphasises how crucial timing is for increasing AE contributions, suggesting that increasing contributions in April, when net pay, income tax, and national insurance changes occur, could make the rises "easier to absorb".

Experts agree that a long-term view has previously helped both employers and employees manage a change of this magnitude.

“As with many policy challenges, the key is to seek to take a long-term view whilst also grappling with the implementation impacts and real-life consequences in the short as well as the longer term,” Mercer UK wealth strategy leader, Tess Page, says.

Meanwhile, Curry points to the 2012 AE rollout and Australia’s gradual increases as examples of times where this approach worked, noting that phased, pre-announced implementation was “really helpful” and makes delays easier to manage.

“Having these things pre-announced is generally a really good way so that when the time is right, it’s already in place, rather than having to go through all the parliamentary procedures, the legislation, the laying of regulations,” he says.

“There is a real risk that waiting for the ‘right time’ means reform is continually pushed back. Balancing the need to raise contribution levels with what is affordable for employers and individuals will not be easy, but it is of increasing urgency,” Fidelity International head of platform policy, James Carter, explains.

Aviva wealth policy director, Emma Douglas, doesn’t think “we can get to adequacy unless a roadmap for increasing pension contributions happens”.

Despite the plethora of possible ways to increase contributions, the current government has committed to not doing so during this parliament.

The role of the Pensions Commission

Given the government’s stance and the urgency of this issue, it is clear that a longer-term solution needs to be established to push this change through.

“As the Pensions Commission considers the future of the system, we have a crucial opportunity to ensure pension saving remains fit for future generations, alongside giving employers certainty about any changes that may be ahead,” Standard Life Centre for the

Future of Retirement director, Catherine Foot, says.

Although it is not confirmed that the commission will examine contribution levels, the commission has a unique opportunity and skill set to explore this.

Having sufficient time is an advantage for the commission, according to Curry.

“The commission has been tasked with looking forward over a very long period of time. It’s probably better to do something that will stick and will have the right long-term impact rather than try to rush something in,” he says.

“An independent, holistic review that looks across state, workplace and private provision is essential if the next phase of AE reform is to deliver lasting impact and truly complete the job and build on the success of the Turner Commission”

This longer-term perspective also allows the commission to review past suggestions on how to increase contributions.

For example, Page says: “We believe the AE Extension Act should be implemented in conjunction with increasing contributions.”

Page is not the only one to think that wider issues that are part of the adequacy argument should be included in the commission’s work. Webb also recommends that the commission should look at particular under-served groups – notably the self-employed – and “finally grasp that nettle as well”.

Webb also hopes and expects that the commission “will set out a destination – where are we trying to get to – and a road map, ideally with illustrative dates”.

Douglas adds: “I believe we will see, maybe not in the commission’s interim report, but in the final report, some kind of roadmap to increase contributions. I don’t think you can get to adequacy unless you are prepared to bite that bullet.”

Despite many pension professionals believing the commission is the ideal candidate to take on the task of increasing AE contribution levels, they also stress that collaboration is essential for success.

Legal & General (L&G) DC & workplace savings CEO, Paula Llewellyn, argues for “a clear, irrefutable case for reform” and that L&G sees part of the commission’s role as building “consensus and agreement from employers, politicians (across all parties), industry and consumer groups that this needs addressing, and that whatever they recommend is the best way to address it”.

“The proposals should then be set within a long-term roadmap with a clear glidepath, giving everyone time to plan and adapt,” Llewellyn continues.

Webb adds that “obviously, the government will have to take the final decision [*on contribution levels*], but the commission can try to build a broad consensus which will hopefully survive any change of government”.

“An independent, holistic review that looks across state, workplace and private provision is essential if the next phase of AE reform is to deliver lasting impact and truly complete the job and build on the success of the Turner Commission,” Carter argues.

With the commission’s first interim report due this spring, it is an ideal opportunity to establish a long-term roadmap, address underserved groups, and build on the success of the Turner Commission. The new commission faces high expectations, as the industry awaits with bated breath to see if it will recommend a much-needed increase in AE contribution levels.

 Written by Paige Perrin



Imran Razvi

investment managers, so there is greater clarity about what stewardship can realistically deliver in support of client objectives.

A stronger focus on financially material issues, and on how stewardship insights inform investment decisions around risk, valuation and long-term cash flow resilience, can help improve investment outcomes for savers over time.

➤ The IA has also highlighted the need for better retirement income solutions in the UK. What changes to the pension system could improve retirement outcomes for future retirees?

As the pension system evolves, many savers face complex and high stakes decisions at retirement. For those willing

informed decisions at retirement.

Alongside supporting customers to make retirement decisions, a key priority is ensuring wider access to high-quality retirement income solutions that are flexible, offer value for money and are designed around the income needs of DC investors. Such solutions will place an emphasis on income stability, inflation protection and long-term value, and regulation should support this.

We are taking forward work with our members that calls for changes to UK investment fund rules to allow them to make distributions from capital. This will enable managers to build funds that target stable income as their investment objective.

While value for money (VFM) discussions are for now focused on DC accumulation, in our view, it is inevitable that in future the VFM debate will be extended to the retirement income market. At that point, it will be crucial for the assessment of value, as measured by net performance and risk metrics, to be aligned with retirement income objectives. This will be important in supporting better outcomes for future retirees.

➤ Pension funds remain the largest institutional client segment for members of the IA. As the shift from DB to DC schemes continues, how might that change the way pension assets are invested?

While pension assets continue to represent the largest institutional client segment for the UK investment management industry, the shift from DB to DC schemes has changed how pension assets are invested.

In DB schemes, investment strategies have for some time been focused on de-risking, with assets being invested in liability-matching strategies that focus on bonds and derivatives. More mature schemes that are paying out pensions may also supplement liability-matching portfolios with cashflow-driven investing

The future of pension investment

➤ The Investment Association senior policy adviser, pensions & institutional market, Imran Razvi, talks with Paige Perrin to discuss the future of pension investment, the need for better retirement income solutions and the potential of the Pensions Commission

The Investment Association (IA) has called for a realignment of stewardship across the investment chain.

In practice, how could stronger stewardship lead to better outcomes for pension savers?

Stewardship is most effective when it is treated as a core input into the investment process and, when utilised to its full extent, aligns with pension savers' goals of long-term value creation.

To achieve this, stewardship must be embedded in mandates and relationships between pension scheme fiduciaries and

and able to seek regulated financial advice, this is the gold standard for support in retirement decision making.

However, many people will not seek advice, and policymakers and the pensions industry must ensure that non-advised customers also have access to support when making choices about their retirement.

The new targeted support framework, which will allow authorised firms to provide ready-made suggestions for groups of consumers with common characteristics, will fill this gap and help future retirees make more confident and

strategies that aim to deliver income to meet pension payments as they fall due. With many schemes seeking to achieve partial or full buyout, there is also a focus on liquidity in scheme portfolios.

By contrast, the rise of DC places greater emphasis on long-term growth, diversification and delivering value for savers over extended time horizons, since the DC system is less mature in comparison to DB.

The priorities of policymakers and regulators in the early years of auto-enrolment were very much focused on employer compliance and the desire to minimise product charges. The effect of this on the DC investment market was to cement the dominance of low-cost, globally diversified index products as the primary way for schemes to gain investment exposure.

In recent years, investment has returned to the heart of the debate on DC, and as assets consolidate into larger schemes and asset pools, we expect increased allocations to a broader array of asset classes, including less-liquid assets on private markets.

Geopolitical imperatives may also drive greater domestic allocations, a feature we expect to see not just in the UK but also in other global pension systems. Using a broader investment tool kit will be to the benefit of DC members, where allocations lead to more diversified portfolios that can help improve risk-adjusted returns over time.

➤ What are the key factors pension funds consider when choosing investment managers today?

Fees are clearly an important consideration, but they are rarely decisive on their own. In practice, schemes look across a broad range of factors to assess whether an investment manager can be a long-term partner.

The stability of the manager as a business in its own right matters, particularly for pension funds with long investment horizons, as does the

consistency and quality of the investment process. Strong in-house research capabilities and appropriate access to portfolio managers are also key, enabling trustees and advisers to understand how decisions are made and how risks are being managed.

Alignment is another critical factor. Pension funds increasingly focus on whether a manager's remuneration structures genuinely align the interests of investment teams with those of their clients.

The breadth of strategies on offer, and the ability of managers to evolve alongside their clients' changing needs over time, is also important.

Finally, organisational culture, values and ethics, alongside robust internal controls and risk management frameworks, play a central role in giving pension funds confidence that assets are being managed responsibly and sustainably over the long term.

➤ As pension schemes mature and more savers transition to retirement, what role do you think long-term assets such as infrastructure and private markets should play in helping pension funds meet their objectives?

Given that most savers are paying into their pension to receive an income in retirement, investing across a broad range of assets can help support this objective.

Assets that generate predictable income can be especially valuable in retirement. Certain debt instruments are well suited in this regard, as they can provide steady cashflows, sometimes with inflation-linked features.

Long-term, less-liquid assets, including those trading on private markets, can play an important role here when they have the right characteristics, and can align well with the long-term nature of pension liabilities.

Equity income also has a role to play, and assets can of course be sold to provide income on a total return basis.

However, this approach is generally

less suited to less liquid assets, where the ability to sell assets to fund income may be more constrained.

Overall, a diversified mix of assets can be appropriate, including some that are long term and less liquid, provided they offer the income characteristics pension schemes need to meet their objectives over time.

➤ Looking ahead, what is the most important policy change needed to improve retirement outcomes for UK pension savers?

Work already underway to improve pension scheme governance and to enhance investment performance through greater diversification is clearly welcome and will help improve outcomes over time. Stronger governance and better-run schemes are an essential foundation for delivering value for savers.

However, even with these improvements, many people will still fall short of the assets they need to achieve the standard of living they expect in retirement unless more money goes into pension saving overall. Contribution adequacy, therefore, remains the central challenge.

In that context, the government's Pensions Commission will be critical. Its role in identifying which groups of the population are undersaving, and exploring practical ways to support them has the potential to make a meaningful difference to retirement outcomes.

That could include examining whether minimum auto-enrolment contribution rates remain appropriate, as well as considering different approaches to encouraging voluntary saving among those able to do more.

Ultimately, improving retirement outcomes will require sustained focus not just on how pension savings are invested, but on ensuring that people can build up sufficient savings in the first place.

➤ Written by Paige Perrin

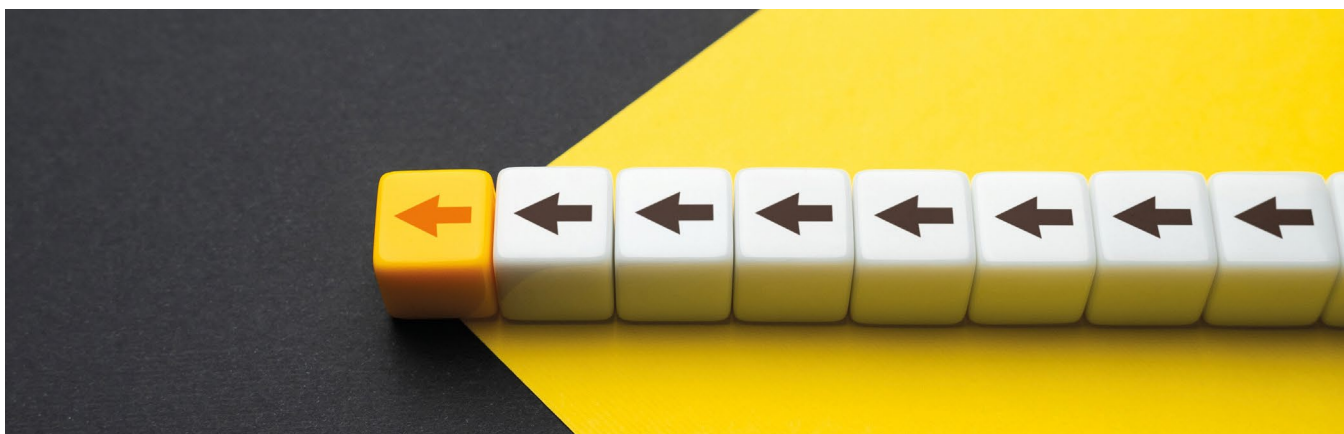
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Summary

- Many default pension strategies have adapted since the introduction of pension freedoms 10 years ago and no longer rely on traditional approaches. Instead, they are aligned with modern retirement behaviours, which often involve flexible and gradual transitions rather than a single retirement decision.
- While engagement with pensions typically increases as individuals approach retirement, default options remain necessary since many do not actively manage their savings.
- The introduction of the Financial Conduct Authority's default pathways for DC savers adds complexity, as member behaviour shows varied approaches to accessing pensions, emphasising the need for personalised solutions rather than a one-size-fits-all approach.
- The upcoming value for money framework could make it easier to standardise comparisons between defaults and assess if they are fit for purpose.

trajectory, this model is increasingly being tested. People are living longer, working in less linear ways, and approaching retirement with more diverse expectations than ever before. Against this backdrop, the question becomes unavoidable: are default funds fit for purpose and evolving alongside the people they are designed to serve?

How fit for purpose?

Legal & General global head of DC, Lesley-Ann Morgan, acknowledges that everyone is “in a different boat” in retirement, but argues that the majority of people do not engage with their pension saving before retirement.

“Whilst engagement levels do increase as people approach retirement, it is unlikely everyone will suddenly become engaged at retirement. For this reason, a default (or multiple defaults) is needed in retirement,” Morgan explains.

Isio director & head of DC investment, Helyne Slade, notes that “understanding member demographics and behaviours at retirement is central to how we assess the suitability of default strategies”.

Slade highlights the “clear move” away from annuity-targeting default strategies that has happened in recent years.

“Since pension freedoms in 2015, flagship defaults have tended to focus

Fit to deliver?

Default funds are a cornerstone of modern pension saving, but with retirement becoming more flexible and individualised, are they still fit for purpose? Paige Perrin investigates how default pension solutions are adapting and where they may fall short

Anything that is meant to accompany someone for a lifetime must be capable of evolving, supporting, and meeting that person's needs at every stage of their life. This principle is especially relevant for default pension funds, which are designed for individuals who do not actively make their own investment choices and therefore often rely on these funds throughout their entire retirement

savings journey.

The term ‘default’ often suggests a one-size-fits-all, set-and-forget approach. Yet in reality, default pathways and funds cannot afford to be generic if they want to provide savers with the best outcomes in retirement.

While these funds are structured to grow savings in the early years of a career and gradually de-risk as retirement approaches, mirroring a traditional life

on wealth preservation but are now progressively shifting towards income drawdown. At the same time, risk has increased across all stages of the default, including at retirement, reflecting the fact that members need to remain invested in growth assets for longer to make their savings last,” she warns.

Adding to this, Smart Pension proposition manager, Andy Fergusson, notes: “For modern savers, traditional lifestyling, which assumes an annuity purchase, is outdated. Most people now prefer the flexibility of income drawdown.

“Moving an entire pension pot into low-risk assets like bonds or cash can actually do more harm than good. This approach can leave people’s savings vulnerable to inflation and can shut down growth potential when the pot is often at its largest.”

However, despite these developments, concerns remain about whether current defaults are truly delivering the right outcomes for pension savers.

Fidelity International investment director for FutureWise, James Monk, says that although “defaults remain essential, we don’t believe all default pension funds are still fit for purpose”.

He explains: “Many default pension strategies still rely on off-the-shelf thinking – offering multiple risk labels, retirement pathways, or bolt-on premium private asset options. That breadth can signal a lack of conviction about what truly delivers good outcomes, while pushing responsibility back onto employers at a time when they are explicitly seeking providers to take the lead.”

Monk also emphasises that “too many defaults are still built around a cliff-edge retirement decision” and that “we [now] know this no longer reflects how people retire – flexibly, gradually, and often unpredictably”.

Given this, he argues: “Strategies anchored to outdated assumptions risk delivering suboptimal outcomes and falling short of member expectations.”

Default pathways

The Financial Conduct Authority’s (FCA) default pathways plan, which was implemented in 2021 and provides DC savers aged 55 or over with a range of ready-made investment options, adds another level of complexity to the discussion on whether defaults are fit for purpose.

Ignition House managing director, Janette Weir, argues that not much has changed in the past 10 years since pension freedoms.

“Our studies show that people are exhibiting the same behaviours as we saw back then, despite the ever-changing economic climate,” she says.

“Most are still taking their 25 per cent tax-free cash early, often while still working, and treating it more like a savings windfall than part of a long-term retirement plan.”

However, Standard Life product director, Jenny Holt, disagrees and notes that since the introduction of pension freedoms, member behaviour has shown that people now access their plans in a variety of ways.

“It’s no longer a one-size-fits-all journey,” she says. “Many members now choose to ‘decouple’ the decision to take their tax-free cash from drawing an income from their pension pot. We don’t expect this trend to change, which is why default pathways shouldn’t mean the same approach for every member.”

TPT Investment Management investment director, Peter Smith, also highlights the rise of DC as a factor gaining increasing importance in retirement decisions.

“Until recently, most DC pension pots have been relatively small, and for many members, they weren’t used as a primary source of retirement income. As

a result, the dominant behaviour we’ve seen has been full cash withdrawal rather than sustained income drawdown,” he says.

Smith adds that there also haven’t been widely adopted “income in retirement” target-date funds, so “we don’t yet have a strong behavioural track record of how members engage with those kinds of default pathways”.

Given this, Smith argues that “we can’t rely too heavily on past behaviour to predict future decisions around retirement income – because, in many cases, members simply haven’t been in a position to make those decisions before.

“The real shift we’re seeing is

structural: larger pots, greater reliance on DC for income, and new default solutions emerging – so future behaviour may look quite different from the past.”

Alongside default funds and pathways, the industry is simultaneously developing targeted

support, guided retirement solutions and simplified advice models.

While all are designed to improve member outcomes, their simultaneous development could raise the risk of overlap, fragmentation and inconsistent member journeys.

“There’s a risk that we could end up with differing regulatory frameworks for contract and trust-based schemes, which could lead to confusing experiences and inconsistent outcomes for members,” Holt says.

To avoid this, she underlines the importance of “keeping member needs front and centre” as well as “striving for a regulatory framework that allows providers to design propositions that enable members to make informed



“Ultimately, these solutions all exist to achieve the same goal: better retirement outcomes for members. There shouldn’t really be contradictions. Members have diverse needs and varying levels of engagement, so it is important that these tools work together as part of a coherent journey,” Smith argues.

“Default pathways can provide a strong foundation for those who prefer a ‘set and forget’ approach, while targeted support can offer more tailored assistance for those who want or need it.

“Providers should ensure that these options are presented as complementary, not competing, with clear signposting and consistent messaging throughout.”

Good value and comparison

As highlighted by Smith, member outcomes are of utmost importance.

Solutions should be fit for purpose and deliver good value, so how do default funds measure up?

“Default funds need to be designed with the changing needs of those retiring in mind. For those staying within a drawdown product instead of cashing out, defaults need to stay focused on long-term value,” Pensions UK executive director of policy and advocacy, Zoe Alexander, emphasises.

Meanwhile, Scottish Widows pension expert, Peter Glancy, explains that master trust boards and independent governance committees carry out annual value for money (VFM) assessments “on an absolute basis”.

“Their role is to challenge providers on behalf of members, looking at investment performance, charges and the support provided to make sure members are getting fair value,” he says.

Barnett Waddingham chief investment officer, Matt Tickle, adds: “Although many defaults still use traditional life styling approaches, this design increasingly needs to reflect how members actually behave, particularly given most savers never opt out of the default pathway.”

SEI managing director of DC, EMEA and Asia, Steve Charlton, adds that the “best way” to assess members’ outcomes is to balance peer comparison with whether members’ goals are being achieved, but also stresses how “essential” it is to understand each saver’s objective.

“Assessing whether a default fund is delivering good outcomes is relatively straightforward in the accumulation phase,” Fergusson says.

“Providers can set outcome-based targets using scheme data, such as expected returns relative to risk, and track performance against those benchmarks.

“Strategies anchored to outdated assumptions risk delivering suboptimal outcomes and falling short of member expectations”

“At retirement, this becomes more complex. A good outcome is no longer defined by performance alone, but may include income sustainability, member engagement and confidence in decision making.

“Different members will require different outcomes, so assessment needs to reflect this variation through a broader, more personalised set of indicators.”

Additionally, Fergusson notes that comparing default funds across providers is more challenging than assessing whether a default fund is delivering good outcomes.

“Even in the growth phase, headline performance can be misleading without understanding the level of risk taken to achieve those returns,” he says.

“At retirement, differences in how providers structure their solutions, how members access their savings and the level of support offered make direct comparisons difficult.”

Glancy echoes this and adds that

“the challenge is that providers collect and report data in different ways, so comparisons are not always like-for-like. Systems, cost allocation and how returns are calculated can all differ”.

Fergusson states that “success is also defined in different ways”, from flexibility to long-term income security, and these are not always captured in standardised metrics.

“As a result, comparisons often lack context, making it difficult to determine what good looks like across the market without a more consistent and holistic framework,” he says.

However, the FCA’s VFM framework aims to ensure DC schemes provide good value by assessing investment performance, costs, and service quality, rather than just focusing on costs.

“The VFM framework has the potential to make comparisons much clearer by allowing data to be published and benchmarked on a more consistent basis,” Glancy says.

“Ultimately, well-designed and well-managed default funds play a vital role in helping people to achieve better outcomes, and when combined with appropriate advice and guidance, can lead to greater financial security later in life,” Standard Life head of master trust and independent governance committee governance, Donna Walsh, says.

Default funds remain a cornerstone of the DC system, particularly in a market where many savers continue to rely on a ‘set and forget’ approach.

But, while they have evolved in response to pension freedoms, they are still adapting to a retirement landscape that is more flexible, uncertain and individual than ever before.

As policy and savers’ needs continue to evolve, it is clear that solutions must change with them.

The challenge for the industry is now whether defaults are evolving to meet how people actually retire.

 **Written by Paige Perrin**

Challenging conventional wisdom

➤ The pensions industry often says that retirees should withdraw 4 per cent per annum from their drawdown fund to have it last their lifetime, and that their at-retirement spending will form a 'U-shaped' curve, of spending a lot initially, then dropping down, before rising again as health needs occur. But do these maxims represent the reality of what's occurring?

➤ Summary

- It is recommended that retirees withdraw from their drawdown at a rate of 4 per cent a year to avoid the risk of depleting the fund. However, research find retirees are often withdrawing much higher amounts, with some finding withdrawals of 8 per cent per annum.
- The expectation that at-retirement spending will follow a 'U-shaped curve', with retirees spending more in active years and less in mid-retirement, before spending rising again to cover healthcare costs, is in reality far more nuanced.

Ever since the freedom and choice reforms put the responsibility of achieving a retirement income for life firmly into the hands of the individual, the industry has tried to assist them by providing 'simple' withdrawal rules and assumptions. But do retirees abide by these rules, and are they even still relevant in a changing retirement landscape – or are rules made to be broken?

"Withdrawal rates and spending patterns are likely to be far more variable than traditional models assume. Static rules, e.g. the 4 per cent or U-shaped spending assumptions, are too simplistic," Hughes Price Walker director, Ray Hughes, warns.

4% rule

Take the conventional '4 per cent rule' for sustainable drawdown withdrawals. "The reality is that retirees' withdrawal

behaviour hasn't always matched the traditional 4 per cent rule," PensionBee chief business officer UK, Lisa Picardo, says.

There is relatively limited UK-specific data on drawdown, especially in later retirement, to allow a high confidence in any conclusions drawn, Hughes says, "Data from the FCA [see graph] suggests that recent withdrawals are well above the 4 per cent rule overall and these will be biased towards those in early to mid-retirement," he adds.

"The evidence suggests a widening gap between industry expectations and member behaviour," Legal & General CEO DC & Workplace Savings, Paula Llewellyn, agrees.

"Although the 4 per cent figure has long been referenced as a guide for sustainable decumulation, recent FCA data shows a shift in people accessing their pensions, with industry analysis

suggesting nearly half of pots in 2024/25 are being withdrawn at 8 per cent or more, double the level typically considered sustainable," she adds.

IFS research last year found that a quarter (26 per cent) of DC pots worth £250,000 and above from which regular withdrawals were being made (representing 124,000 pots in 2023–24) were withdrawn at annual rates of less than 2 per cent in 2023–24, and a further 30 per cent at rates of between 2–4 per cent. It speculated that some of this slow drawdown is likely to have been due to the (at the time) inheritance tax benefits of keeping wealth in DC pensions.

March 2026 data from Wealth Intelligence finds that only approximately 31 per cent of its users now model their retirement income around the traditional 4 per cent withdrawal rule, down from 38 per cent six months prior, and a decline of 18 per cent in relative terms.

According to Wealth Intelligence, over 40 per cent of its users now model bespoke withdrawal amounts, often with variable rates across different life stages. "This suggests increasing sophistication in retirement planning, with consumers recognising that a fixed percentage may not reflect the reality of changing expenditure needs through a 30-plus year retirement," it states.

According to Picardo, while the 4 per cent rule remains a useful rule of thumb to ensure funds aren't depleted too soon, "the shape of drawdown is very individual, depending on overall finances and personal circumstances".

"Withdrawing tax-free cash is a popular move perhaps, but many retirees wisely choose to withdraw less in the early years of retirement, to keep their money growing for longer, reflecting a natural caution about running out of money, the uncertainty about the future cost of living and rising longevity," she says.

Thinking of 'U'

People slowly withdrawing funds at the

start of their retirement would go against the assumption that people will draw down more of their pension during the early, 'active' years of their retirement, and then withdrawing smaller amounts as they age, until their withdrawal increase during older retirement to fund any healthcare requirements they may have.

According to Llewellyn, the 'U-shape' model is helpful for long-term scheme planning. She notes that higher spending in the early years of retirement is commonplace, particularly when members access lump sums. This spending then settles or falls over time. Then, later in life, costs can rise again (often sharply) for those who need care, such as care home fees or more specialist support like nursing or dementia care.

However, "the reality of our members' spending patterns is often more nuanced than this", she cautions. "The shift from DB to DC, longer working lives and longer life expectancies all have a direct impact on how our members spend in retirement."

Picardo agrees that the idea that spending follows a neat 'U-shaped' pattern "tends to be more theory than reality".

"While some retirees may spend

more in the earlier, more active years and less in mid-retirement, spending patterns are highly individual. Factors like health, housing, family support and lifestyle choices mean retirement income tends to be managed far more flexibly than a simple model would suggest," she explains.

"The evidence suggests a widening gap between industry expectations and member behaviour"

Research from Aviva and Age UK last year found that most mid-retirees actually experience a steady decline in expenditure. More than two in five (41 per cent) respondents said they spend less in mid-retirement than when they first retired and only a small proportion expect major increases later.

IFS research from 2022 found that the average spending of recent retirees with higher-than-average incomes increased through their 60s and 70s. For instance, the research showed that among those born between 1939 and 1943, households

with above-average incomes increased their annual spending (per person) between the ages of 67 and 75 by 7 per cent, or £1,200, after accounting for inflation. This was driven in large part by increasing spending on holidays, and declined only once people were into their 80s.

Meanwhile, those with lower incomes saw their spending remain broadly flat as they moved through retirement.

According to Aviva Wealth and Advice MD, Michele Golunska: "With just one in seven likely to face very high care costs, the traditional U-shape does not reflect reality for most households. While this might be the case for most people, the uncertainty as to whether care costs might be incurred means there's still a need to plan potential U-shaped spending"

As People's Partnership proposition director, Kirsty Ross notes, "retirement is not linear – spending and income needs in retirement can be very varied".

"Some people will spend a great deal when they first retire and then must pay a lot for care at the end of their lives.

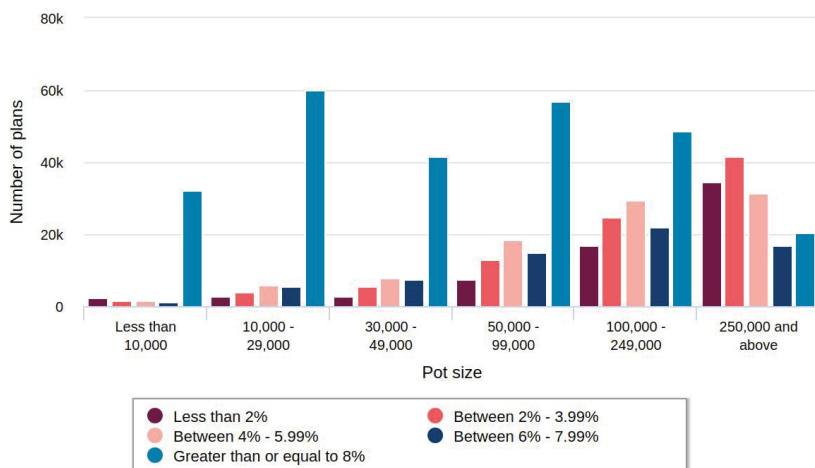
"Others will have more evenly spaced consumption throughout later life, and for others, significant life events, such as health or bereavement, will radically change their household finances. So, while the 'U-shaped' pattern is recognised, it is certainly not what all savers will experience," she says.

Scottish Widows retirement director, Carolyn Jones, notes that "relatively few people appear to be taking a steady, regular income from their pension pot" and are instead cashing in at the point of access or making ad hoc withdrawals over time, "often alongside income from the state pension or a defined benefit scheme".

This, he says, explains why commonly quoted rules of thumb, "do not reflect how many people actually use their savings in practice".

Regular withdrawal rates by pot size in 2024/25

Source: FCA retirement income data



© Financial Conduct Authority 2025

Written Laura Blows



Leaking money

➤ **Following recent industry warnings of 'value leakage' and spiralling fees, *Pensions Age* asks: Where should those managing pension schemes look out for unexpected or hidden costs?**



There are two hot points that capture the attention of trustees and sponsors when it comes to raised costs; data cleanse and post transaction.

There's a constant stream of work where data is at the heart of the issue, leading to repeated 'data cleanse' exercises. Dashboards, GMP equalisation and risk transfer all advocate preparing, assessing and cleaning the data.

As one co-trustee said to me; "how clean does the same data need to be". I can appreciate that frustration, it will feel like repetition, resulting in a collective groan for the higher costs. Unfortunately, as administrators and trustees know, it's the result of a perfect storm of high work volumes and chronic under investment in administration.

And speaking of risk transfer...there are plenty of schemes currently, or soon to be, on their buyout journey and they often underestimate the extent of the delays in the post-transaction phase. Expectations of moving swiftly from the champagne-popping moment of signing a buy-in and securing members' benefits, to fully winding up your scheme, have shifted from a previously understood industry standard of two years, to more like four in the current climate of admin bottlenecks and surplus return. All the while, monthly invoices keep rolling in, delaying any possible surplus return.

➤ **Zedra client director, Alan Greenlees**



Those running pension schemes should take a close look at where processes start to overlap, especially as they move towards buyout. Buy-in is often the first point where this shows up. You've got insurer requirements layered on top of existing administration, and that's where duplication begins to creep in. Parallel data checks, two sets of reporting, and ownership that isn't always clear. It all adds cost, often without being immediately visible.

As things progress, data tends to become the next pressure point. Cleansing, benefit corrections, and GMP work. Leave it too late and it can grow quickly, becoming far more costly and difficult to put right.

Then there's the tail end. Costs don't simply fall away after buyout. Member queries, final adjustments, ongoing support. It can run on longer than expected.

None of this sits in isolation. It builds as you go. Without proper grip on administration throughout, value can slip away almost unnoticed.

➤ **Trafalgar House director, Dan Taylor**



For those schemes targeting buyout, the area where there is more scope for value leakage is the premium paid to the insurer, which will far outstrip the project costs for all but the very smallest of schemes. Therefore, value for members and other stakeholders is driven by the price that is negotiated.

Early preparation is critical. High-quality data, a clear benefit specification, and well understood scheme risks improve insurer engagement and pricing certainty, reducing the likelihood of conservative pricing assumptions or late-stage surprises.

A well managed quotation process is also fundamental to optimising value. Engaging with an appropriate range of insurers, supported by transparent and consistent information, encourages competitive tension and enables a meaningful comparison of pricing, terms, and insurer capability.

Once the premium is agreed and the buy-in transacted, this is not job done. The transition from buy-in to buyout can be inefficient and lead to spiralling costs if it is not overseen by an experienced adviser who can bring together various stakeholders and coordinate several interlinked workstreams.

➤ **WTW senior director, pension risk transfer, Greg Robertson**



One of the most overlooked drivers of pension scheme costs is duplication of systems, data and processes. Many schemes still operate across multiple legacy administration platforms following historic mergers, provider changes or partial system upgrades, which often means that they are effectively paying to run the same administration processes more than once. Member data may be stored in multiple systems, all of which require updates to be made in several places, increasing both cost and the risk of errors. Reporting, benefit calculations and payroll could also be run separately across different platforms, even where they relate to the same scheme or sponsor. Over time, these duplicated processes create significant hidden administration costs and act as a brake on future developments to member experience.

This becomes particularly visible during scheme consolidation or endgame planning. Where schemes are merged but continue to run on separate systems, the expected cost savings from consolidation often fail to materialise because administration, reporting and governance processes are still being duplicated behind the scenes. Modern administration platforms help address this by bringing schemes onto a single system with one 'master of data' and one set of automated processes. This reduces the need for parallel systems, manual data reconciliation and duplicated reporting processes, helping schemes genuinely realise the cost efficiencies that consolidation and scale are supposed to deliver.

▶ Lumera chief commercial officer, Peter Roos



Direct costs can creep up by not regularly reviewing fee levels in all spending areas, or by being unaware of all costs in the system. For example, custody and fund administration costs, transaction fees or foreign exchange rates have often been a source of significant hidden fee drag. For smaller schemes, badly structured implementation can also add fees, eg hanging on to segregated accounts or investing in smaller (and therefore higher total fee rate) pooled vehicles. Excessive buying and selling within asset classes with high bid-offer spreads can also detract value. Therefore, a holistic consideration of objectives, goals and outcomes should be regularly undertaken to ensure nothing has been missed, costs are fully understood and necessary. It shouldn't be the case that the tail wags the dog, but sensible structuring, implementation and monitoring can add a lot of value.

▶ Cartwright Pensions Trusts senior adviser, Ian McKnight



We have seen a growing number of schemes come to market, driven by improved funding levels. This has put pressure on the resources to complete the post buy-in tasks and we're increasingly seeing transactions take longer than two years to complete. This, together with unresolved benefit issues, can lead to unexpected costs in rectifying the benefits whilst maintaining the business as usual operation of the pension scheme. Clear communication and setting expectations at the outset with all parties, including the insurer, should manage this risk.

One further risk to be considered is the impact that both extended timescales and differences in the data between the broking data set and the final date can lead to the trustee breaching the terms and conditions stated in the contract, leading to unplanned re-price of the benefits insured. Trustees should, as much as possible, ensure that their terms and conditions reflect this extended timeframe and that the bulk annuity contract is structured accordingly. Without these safeguards, schemes risk incurring spiralling and unexpected additional costs.

▶ Aptia consulting leader, Stuart Heatley



Unexpected or duplicated costs in pension scheme transactions often arise when schemes focus heavily on the deal itself but insufficiently on what comes after it. One of the biggest drivers of spiralling costs following a pension risk transfer is simply not planning early enough for the post-transaction phase.

Early clarity on roles, responsibilities and decision making avoids the loss of momentum that can follow a transaction and reduces the risk of duplicated work, overlooked tasks and associated cost overruns.

Cost control post transaction requires an understanding of both the 'big picture' and the finer operational detail across multiple interconnected workstreams.

Even with strong preparation, new issues will arise – data complexities, benefit ambiguities, legacy administration quirks or unexpected member behaviour, to name just a few. The ability to troubleshoot these in real time, keep stakeholders aligned and re-optimize the plan is what ultimately saves schemes months, if not years, of additional cost before reaching their desired end state.

▶ LCP partner and post-transaction team head, Rachel Banham



Pensions history

New beginnings

The UK tax year starts each year on 6 April. Until the mid-18th century, the tax year began on 25 March – Lady Day – one of the traditional quarter days for settling debts and starting contracts. (The others were Midsummer, Michaelmas and Christmas.) When government decided to move from the Julian to the Gregorian calendar in 1752, the calendar skipped 11 days. Fearing the loss of tax revenue, the Treasury elected to extend the start of the tax year first to 5 April and later to 6 April, rather than to shorten it to accommodate the calendar shift.

Changes to state pensions or to the tax

treatment of private pensions invariably take effect at the beginning of the tax year.

There are numerous examples. The single-tier state pension, which replaced the basic and additional pensions, was introduced on 6 April 2016. State pension increases take effect on 6 April each year, so-called ‘pension freedoms’ were introduced on 6 April 2015 and the imposition of inheritance tax on unused pension pots will come into effect on 6 April 2027.

Non-tax changes to occupational schemes are not tied to the tax year in quite the same way.



Major reforms such as the Pensions Act 1995 were implemented in stages by statutory instrument. And change can come unexpectedly at any time, as when on 2 September 2005, regulations required an employer leaving a multi-employer scheme to meet any statutory debt calculated on a buyout rather than an MFR basis.

www.pensionsarchivetrust.org.uk/ourcollections

➤ **Pensions Archive Trust director, Jane Marshall**

▼ The bright side

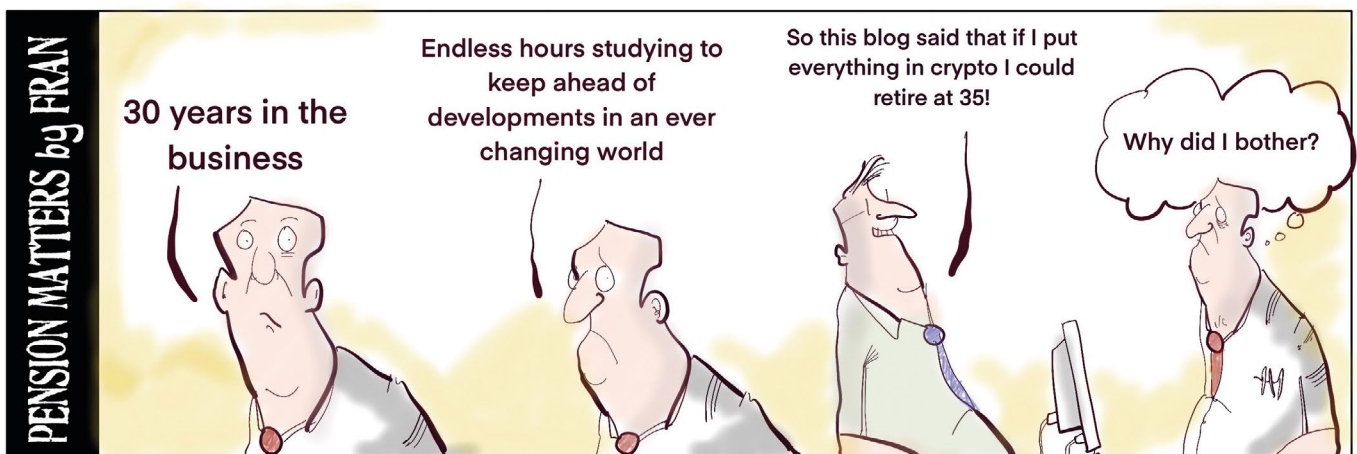
Pensions Age takes a closer look at some of the recent good news stories in the pensions industry...

➤ Ranmore Fund Management’s charity, Helpmore, is expanding its support for grassroots community projects in South Africa and the UK. This includes Just Planting Seeds, which runs boys’ and girls’ rugby teams, after-school support and a feeding programme. In 2025, its teams were nearly unbeaten and



had seven players selected for Western Province squads. Helpmore’s support has funded equipment, school supplies, coach stipends and safety upgrades at the clubhouse.

➤ The Pension Chapter and Rothesay have hosted an International Women’s Day event at the British Museum. The event was attended by over 250 pension professionals. Now approaching its fourth year, The Pension Chapter by The Female Forum brings together four corporate partners – Rothesay, Janus Henderson Investors, LCP and Sackers – to deliver thought leadership events for senior women in the UK pensions industry.



PENSIONS**Age** JOBS

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Pensions Age JOBS service – getting the best candidates for your key roles

PENSIONS**Age** JOBS

Some of the latest roles at www.pensionsage.com/jobs ...

NON-EXECUTIVE BOARD MEMBER

PENSIONS UK CHAIR

IN-HOUSE PENSIONS MANAGER, GOVERNANCE

Location: London Office Based
Salary: Superb compensation package

PENSIONS SYSTEM DEVELOPER

Location: Either 100% remote or hybrid working in London or South East
Salary: Salary depended on experience

DEPUTY PENSIONS MANAGER, IN-HOUSE

Location: Hybrid/Surrey offices 2 days a week
Salary: Competitive package + comprehensive benefits

PENSION ANALYST

Location: London at least twice per week
Salary: Up to c£45,000pa plus excellent benefits including generous pension

PENSIONS PROJECT MANAGER

Location: Work from home
Salary: Competitive

IN-HOUSE SCHEME OPERATIONS & PROJECT MANAGER 12 MONTH CONTRACT (& LONGER)

Location: Hybrid working (3 days home working/2 days office)
Salary: Dependent on experience

ASSOCIATE DC PENSIONS CONSULTANT

Location: Hybrid/London, min 2 days in the office per week
Salary: Competitive

PENSIONS TECHNICAL SPECIALIST & ADVISER, NICHE SECTOR ROLE, 2 DAYS LONDON OFFICE ONLY

Location: Hybrid working (3 days office/2 days homeworking)
Salary: Dependent on experience, + bonus + pension + benefits

PENSIONS TECHNICAL LEAD

Location: Hybrid/London
Salary: £50000 - £60000 per annum + Car allowance



In-House DB Pension Scheme Manager

Work from home/Surrey & London offices as required **£excellent package**
Progressive opportunity joining this leading organisation, use your DB pensions expertise as part of a collaborative and supportive in-house Pensions team working on £bn+ plans. Ref: 124879 SB

Pensions Governance & Compliance Manager

Work from home **£competitive package**
Are you passionate about governance and risk management within the pensions industry? We're looking for an experienced consultant to lead and deliver high-quality projects that make a real impact. Ref: 117418 BC

Pensions Executive

Hybrid/London **£50000 - £75000 pa**
Work on a portfolio of clients and deliver market-leading governance and independent pensions executive services. Ref: 81092 BC

Pensions Technical Lead

Hybrid/London **£competitive**
Fantastic time to join this in-house team as they go through an exciting transformation period, focused on long-term process development and efficiencies. Ref: 117187 JW

Pensions Specialist 9-12 month FTC

Hybrid/West Sussex **£very competitive**
Seeking a detail-driven Pension Specialist to help deliver smooth DB operations. Ideal if you work well both solo and in a team. Ref: 121776 JW

Pensions Officer

Office based/Manchester **£52000 pa**
An established national union is seeking an experienced Pensions Officer to lead its pensions work, shape policy, support members and officials, and drive pensions awareness across the organisation. Ref: 122931 JW

Implementation Consultant

Work from home **£in line with experience**
Lead client implementation projects, configure systems, and ensure smooth transitions for complex pension schemes. Ref: 79969 BC

Communications Consultant

Work from home **£doe**
We're looking for a creative Communication Consultant with pensions knowledge to help deliver clear, engaging communications that support people in understanding their retirement savings. Ref: 123955 BC

Pensions Administrator

Work from home **up to £33400 pa**
If you're detail-focused, great with numbers, and confident speaking with customers, this is a fantastic opportunity to join a supportive and high-performing team. Ref: 121875 JW

Professional Trustee

Hybrid 3 days a week London or North West offices **£six figure**
Superb opportunities with this highly reputable Professional Trustee business, for skilled Pensions professionals seeking a progressive career move. Ref: 70402 SB

In-House Head of Pensions Finance & Investment Operations

Hybrid 3 days a week Central London **£six figure**
Varied opportunity with a £multi-billion DB & DC Pension fund for a qualified Head of Pensions Finance. Ref: 122997 SB

International Pensions & Benefits Manager

Office-based/London **£six figure**
Varied and rewarding in-house appointment to manage international pensions, employee benefits and wellness plans. Ref: 72659 SB

Senior Consultant, Outsourced Scheme Management

Remote **£six figure package**
Lead the delivery of a wide range of pension projects and services for a leading Pensions Specialist firm. Ref: 118111 SB

In-House Pensions Manager, Governance

Hybrid/Glasgow **£six figure package**
Lead risk oversight and governance for one of the UK's largest occupational pension schemes. This is a high-impact role offering the chance to drive governance at the highest level. Ref: 119233 SB

Senior Pensions Data Consultant

Hybrid/Offices Countrywide **£excellent package**
Join a specialist data team delivering high-quality insights to help clients improve member data and achieve their strategic goals. Ref: 71182 BC

DC Consultants - all levels

Hybrid/London **£various DOE**
Lead client relationships, deliver high-quality governance and strategic advice, and help drive better member outcomes across a diverse portfolio. Ref: 71697 BC

Project Manager

Very flex working/Offices Countrywide **£very competitive**
Great opportunity to lead and deliver major pension change projects across medium-to-large schemes. Ref: 72402 BC

Deputy Pensions Manager, in-house

Hybrid/Surrey **£competitive**
Exceptional, progressive in-house appointment for a motivated Pensions professional. M&A and TUPE knowledge beneficial. Work in centrally-located, modern offices for a forward-thinking, supportive employer. Ref: 71351 SB



Salary Survey Results

IS YOUR SALARY IN LINE WITH THE MARKET?

2025 Salary Survey now published

Comprehensive insight into current salaries and trends in the pensions industry.
If you would like to discuss our findings or specific benchmarking, please contact us.

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April Showers! Don't get left out in the rain! When it comes to your career or the right resource contact us now.

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Assistant Trustee Executive

Home working +4 days per year office only

£DOE
DB15931

You may already be in a similar role but not able to progress or perhaps you are currently in pensions administration and have been searching for a step out of admin but still in pensions. As the new trustee support assistant you can do just that!

In-House Technical Specialist

London 3 days/Home 2 days per wk.

£OTE over 78K
DB15906

You will lead complex DB, DC Master Trust & LGPS matters across a diverse pension portfolio, driving regulatory compliance, strategic projects, & high-quality scheme administration while mentoring & supporting cross-functional pension leadership.

In-House Technical Advisor

London / Home

£Six figure +
DB 15939

As the new Pensions Technical Adviser you are supporting senior teams with expert analysis and technical insight to drive meaningful change and improved outcomes for employers and their workforce. This is an exciting role in technical pensions!

Pensions Support Officer

East Yorkshire / Home max / 2 days office

Competitive!
DB15940

As In-House Pensions Support Officer, you'll be at the heart of our pension operations — ensuring accurate record-keeping, supporting member queries, liaising with trustees and 3rd parties, and helping maintain compliance with regulatory requirements.

Pensions Admin. Consultant

London or Hants x 2 days per week only

Competitive
DB15848/15855

Oversee pensions administration for clients and teams, managing relationships, reviewing work, ensuring compliance, staying updated on legislation, monitoring budgets, & supporting the delivery of accurate and timely services.

Pensions Admin. Data roles

London or Hants x 2 days per week only

£Excellent
DB15876

You enjoy delivering data-focused solutions for DB schemes, including buy in/buy-out preparation, GMP projects, dashboards readiness, and data cleansing. Your role also involves managing complex pensions data projects, collaborating with internal teams and clients, and ensuring high-quality, compliant outcomes.

Programme Manager

Flexible hybrid working

£DOE
TD15935

You'll be responsible for providing and supporting project management across the whole business, ensuring that all projects have appropriate documentation, risk management, a control framework and effective reporting processes.

Pensions Data Analyst

London / 2 days per week in office

Up to circa£37k
TD15943

This role focuses on obtaining, analysing, and cleansing member data to meet regulatory requirements and ensure it is fit for purpose. You will play a key role in identifying inconsistencies, resolving data issues, and improving overall data quality.

Experienced Pensions Administrator

Leeds / 2 days per week in office

Up to £38k
TD15920

Work collaboratively with a supportive team to deliver an excellent service to members and employers. Together, the teams support over 60 pension schemes across both DB and DC arrangements, offering a varied mix of day-to-day casework and project activity.

Pensions Developer

Hybrid London / 100% remote

£DOE
TD15933

You'll play a central role in developing, enhancing and supporting business-critical systems focussed on pensions administration data and processes. Develop, configure and support core software systems. Analyse complex pensions data using SQL Server.

Pensions Calculations Analyst

Hybrid in London or 100% Remote

Up to c.£60k
TD15916

Work closely with other pensions experts to translate complex scheme rules into precise specifications and ensure quality delivery. Grow your technical expertise while contributing to innovative solutions in a dynamic pensions environment.

Pensions Projects Administrator

Leeds / 2 days in office

Up to £35k
TD15924

Want something outside of BAU Admin? This role is ideal for someone who enjoys working on complex pension projects, thrives on accuracy, and is motivated by delivering high-quality outcomes for members and employers. You'll play a key part in delivering annual pension scheme events and various other projects.

Contact Dianne Beer (DB) dianne@abenefit2u.com
0207 243 3201 / 07747 800 740

Contact Tasha Davidson (TD) tasha@abenefit2u.com
0208 274 2842 / 07958 958 626

Alongside Spring, April is the start of the new financial year, a time of change for employers & employees. With new budgets, employers seek carefully sourced talent to make an impact, while employees—having received bonuses & pay rises—are either content or exploring new opportunities where they feel more valued. We look forward to supporting you both through the exciting next nine months of 2026.





ACTUALLY, SIZE MATTERS.

With £40 billion
under management,
we're scaling fast.

NOT ALL PENSIONS
USE SIZE TO RAISE
STANDARDS.
WE DO.



people's
pension