DEI
How DEI in 2025 has evolved rather than retreated amid a changed global climate

Superfunds
How the DB superfund market is poised to grow further once regulatory rules are confirmed

Divorce
How the industry can encourage pension considerations in divorce

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December 2025

PENSIONS Age

The leading pensions magazine

Target-date funds: *The growing role of target-date funds within the UK pensions landscape*

Interview: *PDP stresses that the work is still not done ahead of the final dashboards connection deadline*

Against the clock

Are regulatory entanglements tying up the success of decumulation CDC's implementation?

PLUS: De-risking Guide 2025

Editorial Comment

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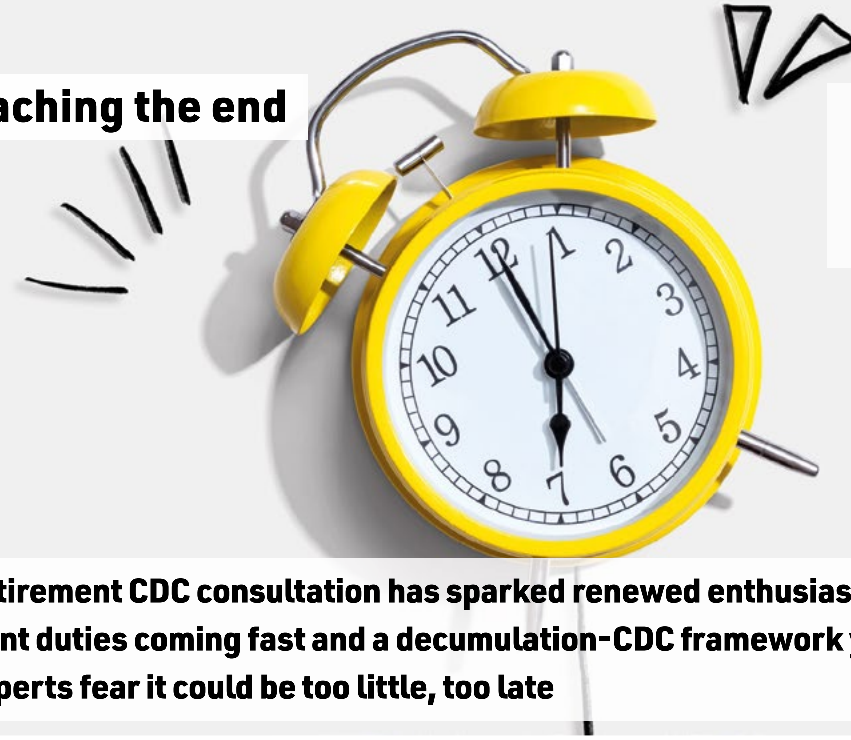
What a year it has been in UK pensions! Here's an A-Z of some of the key themes of 2025.

- **A is for Adequacy:** Persistent shortcomings in pensions adequacy were a focus, prompting the government to revive the Pensions Commission.
- **B is for Bulk Purchase Annuities:** 2025 was another bumper year for buy-ins and buyouts, despite talk of DB run-on.
- **C is for CDC:** The government gave the green light on regulations for multi-employer collective defined contribution (CDC), with retirement-only CDC models expected in 2027.
- **D is for Dashboards:** Multiple schemes and providers announced their connections to the pensions dashboards ecosystem – more than 50 million scheme memberships.
- **E is for ESG:** The Pensions Regulator (TPR) announced plans to develop and test a voluntary net-zero transition plan template that is fit for occupational pension schemes.
- **F is for Fit for the Future:** Following the Local Government Pension Scheme: Fit For The Future consultation, there was much movement in the LGPS space, as the government pushed for further consolidation.
- **G is for Gender Pensions Gap:** Concerns around the gender pension gap grew in 2025, with multiple reports showing stark figures for women in retirement.
- **H is for HMRC:** HMRC provided some much-needed detail on the pension measures announced in November's Budget.
- **I is for IHT:** The implications of bringing unused pensions into the scope of inheritance tax (IHT) continued to dominate conversations.
- **J is for Journey:** The pensions journey in its entirety, pre- and post-retirement, has been in the spotlight this year.
- **K is for Keir Starmer:** Prime Minister, Keir Starmer, said in April that the pensions triple lock was "safe" under a Labour government.
- **L is for Levy:** The Pension Protection Fund (PPF) confirmed it would not be charging a conventional levy for 2025/26.
- **M is for Mandation:** Pressure mounted on government to drop plans for a reserve mandating power that could require schemes to invest more in the UK; while Pensions Minister, Torsten Bell, told the industry to "chillax" on the subject.
- **N is for New Entrants:** This year saw a number of new players coming into the pensions space, including de-risking companies, tech firms and more.
- **O is for Oops:** The Office for Budget Responsibility (OBR) prematurely forecast that the government's plans to apply National Insurance to salary sacrifice pension contributions above £2,000 could raise £4.7bn in 2029/30.
- **P is for Pensions Schemes Bill (PSB):** The PSB saw significant developments and amendments in 2025.
- **Q is for Quality:** The importance of strong data quality continued to be a theme throughout 2025.
- **R is for Rachel Reeves:** The Chancellor confirmed several pension changes in her November Budget, including a cap on salary sacrifice, plans to index for inflation on pre-1997 PPF benefits, and more.
- **S is for Salary Sacrifice:** Reeves' plans to charge National Insurance on salary sacrifice pensions above £2,000 were dubbed 'the wrong change at the wrong time' by industry.
- **T is for Torsten Bell:** Labour MP for Swansea West, Torsten Bell, was appointed as Pensions Minister in January.
- **U is for UK:** The Mansion House Accord saw 17 of the largest UK workplace pension providers express their intent to invest at least 10 per cent of their DC default funds in private markets by 2030, with 5 per cent of the total allocated to the UK.
- **V is for Virgin Media:** The government confirmed that it would introduce legislation to deal with issues arising from the *Virgin Media* judgment.
- **W is for WASPI:** The Women Against State Pension Inequality (WASPI) hit headlines again as the government announced it would revisit its decision not to provide compensation to women affected by state pension age changes.
- **X is for Gen X:** Just 28% of Gen X are on track to meet a savings goal that would allow them to live comfortably throughout retirement, research by Annuity Ready revealed.
- **Y is for Young**: The government committed to making financial education a compulsory part of the primary school curriculum, to help ensure that children are supported to develop healthy attitudes to money at an early age.
- **Z is for Zzzz:** The *Pensions Age* team is exhausted…..we'll see you in 2026!

Francesca Fabrizi

COVER FEATURE

Theme: Reaching the end

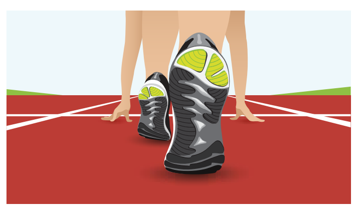


Against the clock

The government's retirement CDC consultation has sparked renewed enthusiasm, but with guided retirement duties coming fast and a decumulation-CDC framework yet to be finished, industry experts fear it could be too little, too late

Features and columns

News, views & regulars



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Features & columns

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Dateline - November 2025

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

3 November The **House of Lords** Economic Affairs Finance Bill Sub-Committee heard evidence about measures to bring unused pensions and death benefits into the scope of inheritance tax (IHT), including calls for the government to make "major changes" to the proposed rules.

4 November Industry experts warned that "tough but necessary" choices could lie in the Autumn Budget, after **Chancellor**, Rachel Reeves, delivered an "unprecedented" pre-Budget speech.

5 November The government committed to making financial education compulsory in primary schools in England, and to encourage payroll savings more widely, as part of its Financial Inclusion Strategy – much to the delight of many industry experts.

6 November The Pensions Regulator (TPR) confirmed that all 2,800 members of the Box Clever Group Pension Scheme have transferred to the ITV Pension Scheme as a result of its previous action, bringing one of TPR's longest-running cases to a close.

7 November More than 250 UK business leaders signed an open letter calling on the **Chancellor**, Rachel Reeves, to do more to make DC pension schemes invest in the UK economy *[read more on page 13].*

10 November The **Work and Pensions Committee** (WPC) launched a new inquiry on the transition to state pension age (SPA) ahead of the scheduled increase in SPA from 66 to 67 in April next year.

10 November The **government** rejected calls for a new cross-departmental framework to tackle pensioner poverty, instead reaffirming its commitment to existing measures and initiatives in its official response to the WPC's *Pensioner Poverty* report.

11 November TPR was urged to provide greater clarity on how its proposed enforcement strategy will be applied in practice and how smaller schemes will be treated, as its consultation on the strategy came to a close.

11 November The **government** announced that it will revisit its decision not to provide compensation to women affected by state pension age changes, following the emergence of previously unseen evidence in ongoing legal proceedings. However, Secretary of State for Work and Pensions, Pat McFadden, stressed that "retaking this decision should not be taken as an indication that the government will necessarily decide that they should award financial redress".

12 November The **Financial Services Compensation Scheme** confirmed that its 2025/26 levy remains unchanged at £356m, as forecast in May 2025, while the total levy for 2026/27 is expected to drop slightly to £342m, thanks to an anticipated reduction in compensation costs compared to 2025/26.

17 November The **Pension Protection Fund** (PPF) launched a consultation on its plans for next year's levy, confirming its intent to maintain a zero levy for UK conventional DB schemes in 2026/27 *[read more on page 14].*

For more information on these stories, and daily breaking news from the pensions industry, visit **pensionsage.com**

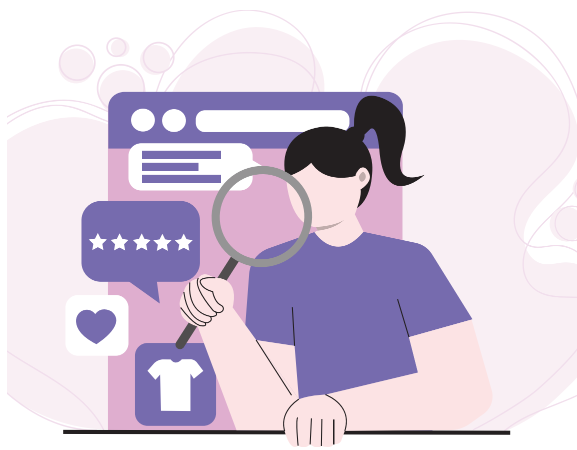
17 November Whilst the initial results of the **Prudential Regulation Authority's** life insurance stress test have revealed a "reassuring picture of resilience" across bulk annuity insurers *[read more on page 34]*, concerns around funded reinsurance remain. The PRA said the findings on FundedRe showed that recapturing reinsured liabilities under stress can significantly affect life insurers' solvency, even though firms could absorb these impacts.

18 November More than a third of UK women (36 per cent) are on course to fall into poverty in retirement, the latest **Scottish Widows** *Women and Retirement Report* revealed.

18 November TPR called on trustees to treat member data as their most important "strategic asset", after its review revealed inconsistent approaches to data quality and warned that some schemes remain at risk of failing to meet their dashboards duties. TPR said that although dashboards preparation has driven "significant progress", some schemes have still not put in place the basic controls set out by the regulator in 2010. TPR's latest engagement exercise covered schemes of all sizes but focused on those with more than 1,000 members. It found that although most schemes could provide data scores when requested, for some, engagement served as the prompt to measure their data for the first time. Others delayed submitting scores because they were midway through data cleansing linked to buyout activity or transitioning to a new administrator.

19 November Figures from the **Office for National Statistics** revealed that consumer price inflation eased to 3.6 per cent in November, down from 3.8 per cent in September.

22 November The **British Business Bank** confirmed Aegon UK, NatWest Cushon and M&G as its partners for the targeted first close of British Growth Partnership Fund I, also announcing plans for the launch of a Venture Link initiative for pension funds.



23 November The **government** launched a consultation on two draft statutory instruments, designed to implement several of the key Local Government Pension Scheme (LGPS) changes included in the Pension Schemes Bill *[read more on page 14].*

24 November The **government** confirmed that the state pension will rise by 4.8 per cent under the triple lock *[read more on page 10].*

26 November After an eventful start to the day, which saw an unprecedented leak from the Office for Budget Responsibilty, Chancellor, Rachel Reeves, delivered her **2025 Budget**, including plans to:
• cap salary sacrifice pensions at £2,000;
• extend the freeze on income tax thresholds;
• index for inflation on pre-1997 benefits in the Pension Protection Fund and the Financial Assistance Scheme; .
• enable well-funded DB pension schemes to pay surplus funds directly to members from April 2027

Budget 2025: Industry hits back after Reeves ignores salary sacrifice warnings

Chancellor, Rachel Reeves, has faced backlash after delivering her 2025 Budget, with plans to cap salary sacrifice sparking particular concern amongst industry experts

Chancellor, Rachel Reeves, has faced backlash from the pensions industry following her 2025 Budget, in which she confirmed plans to introduce a cap on salary sacrifice.

Some of the announcements from Reeves' Budget were revealed earlier than expected, after the Office for Budget Responsibility (OBR) shared its forecasting on the Budget in error. This included plans to charge National Insurance on salary sacrifice pensions above £2,000, which the OBR forecast to generate £4.7bn in 2029/30 and £2.6bn in 2030/31. This was based on the assumption that many employees will switch to making ordinary pension contributions.

Reeves' full Budget provided further information on these changes, revealing that the costs of salary sacrifice tax relief were set to increase from £2.8bn in 2016-17 to £8bn by 2030-31 without reform, and suggesting that the use of these arrangements has disproportionately benefitted higher earners.

The government said the cap would "shield" 74 per cent of basic rate taxpayers using salary sacrifice, and stressed that it continues to support pension saving through auto-enrolment and tax relief, worth over £70bn per year.

Given this, the government described the changes as a "pragmatic approach", which protects lower earners, while retaining generous tax relief on pension contributions in full.

However, the pensions industry hit back at the changes, warning that this is the wrong decision at the wrong time, flying in the face of the work of the Pensions Commission and the growing focus on adequacy.

The move was branded a "tax on working people, in spirit if not in name" by Society of Pensions Professionals tax group chair, Steve Hitchiner, while The Investing and Saving Alliance head of policy for products and long-term savings, Renny Biggins, argued that "the government is arm-wrestling itself".

Demonstrating the scale of the impact, Hymans Robertson's modelling suggested that a medium-sized white-collar firm could see employer costs rise by around £830,000, a 1 per cent increase in total employment costs, while extra-large retailers and hospitality firms could see employer costs rise by £1.5m, a 0.04 per cent increase.

"According to our research, fewer than 10 per cent of employers would be able to absorb the cost of a reduction in NI savings on pensions contributions. So this cost increase is likely to shape businesses' workplace provision in the future," Hymans Robertson partner and head of DC corporate consulting, Hannah English, stated. "The cost increase for employers could also see many review future pay rises, reduce pensions contribution offerings or adjust future recruitment in order to offset increases.

A boost for the state pension

The government has confirmed that the state pension will rise by 4.8 per cent under the triple lock, with around 13 million pensioners set to benefit from an above-inflation increase as a result. This means that the rate of the full new state pension will increase to just over £240 a week from next April, while the full basic state pension is expected to rise by around an extra £440 a year.

To support this, the government is looking to ease the administrative burden for pensioners whose sole income is the basic or new state pension without any increments, so that they do not have to pay small amounts of tax via simple assessment from 2027-28 if the new or basic state pension exceeds the personal allowance from that point. Further detail is expected next year.

However, LCP partner, Steve Webb, pointed out that there's no detail, and "it's actually very hard to see how that could be done without creating new cliff edges".

Despite initial confusion, Reeves has since confirmed that pensioners whose sole income is the basic or new state pension will not be required to pay tax on it, easing confusion after the government announced plans to ease the administrative burden on pensioners. Speaking in an interview with Martin Lewis, Reeves said: "If you just have a state pension, we are not going to make you fill in a tax return of any type."

Pressed on whether these pensioners would need to pay tax at all, she added: "In this parliament, they won't have to pay the tax. We're looking at a simple workaround at the moment."

Our research suggests 43 per cent of employers may review their reward strategies as a result."

And this will ultimately be felt by workers, as the OBR's own estimates suggested that 76 per cent of employer costs will be passed on to workers either through slower wage growth or through lower employer pension contributions.

Given the complexity of the changes involved, the four-year lead in time was highlighted as the "one piece of good news" by LCP partner, Alasdair Mayes.

However, this lead-in time could prove a double-edged sword, giving employers time to mitigate the impact, potentially limiting the amount the policy will raise.

Indeed, Isio employee benefits partner, Mark Jones, said employers will already be making plans to offset the NI salary sacrifice loss long before these changes kick in from 2029. "That may include changing their scheme, so they don't pay more than £2,000 in salary sacrificed contributions or changing the balance of remuneration," he said.

News of the salary sacrifice restrictions seems to have hit harder given that it follows weeks of efforts to persuade the Chancellor against such changes, with several stakeholders pointing out that even the government's own research suggested that these changes could damage morale around pension saving.

This is not the only change causing concern for pensions, as the Chancellor also announced a continued freeze on tax income allowances, meaning that it will remain at £12,570.

The number of pensioners paying tax has already increased significantly due to the freeze, as modelling by LCP partner, Steve Webb, revealed that, in 2021/22, when the freeze started, there were around 6.7 million pensioners paying tax, compared with 8.7 million today.

Confirmation of the continued freeze on allowances could prove problematic for many pensioners, particularly following the news that the state pension is set to increase by 4.8 per cent under the triple lock *[see boxout]*.

"We're pleased that members' voices have been heard"

Indeed, Webb's modelling revealed that the freeze could result in an extra half million state pensioners paying income tax, even when allowing for the increase in the pension age from 66 to 67.

This means at least 9.3 million pensioners paying tax, representing around three-quarters of all pensioners, compared with around 8.7 million today.

If inflation or wage growth picks up, leading to larger rises, there could "easily" be 10 million pensioners paying income tax by the end of the decade.

The Budget papers also revealed broader pension changes, confirming that the government will enable well-funded DB pension schemes to pay surplus funds directly to scheme members over the normal minimum pension age, where scheme rules and trustees permit it, from April 2027 *[read more on page 12]*.

There was some good news for pensions, as Reeves confirmed plans to index for inflation on pensions accrued before 1997 in the PPF and the Financial Assistance Scheme (FAS), "so that people whose pension schemes became insolvent through no fault of their own no longer lose out as a result of inflation".

The PPF welcomed the changes, suggesting that changing the rules on pre-97 increases could benefit more than a quarter of a million (256,000) PPF and FAS members (165,000 PPF and 91,000 current FAS members).

PPF chair, Kate Jones, said: "We've long known the impact the absence of pre-97 increases has on affected members. It's been important for us to support positive outcomes for, and balance the interests of, our levy payers and members. We're pleased that members' voices have been heard, and the government has acted positively."

Speaking to *Pensions Age*, however, a spokesperson for the Pensions Action Group, which has campaigned for change in this area, warned that the devil will be in the detail of the policy.

Further detail has now been provided, and Burges Salmon partner and head of pensions, Richard Knight, pointed out that, "the detailed paper reveals that this will only apply for those members whose original scheme included indexation for pre-1997 benefits".

Given that there was and is no statutory requirement for increases to be provided on such pre-1997 benefits, Knight warned that there will "still be a significant cohort of members who won't benefit from the announcement".

Broader concerns have also emerged, as Pensions UK executive director of policy and advocacy, Zoe Alexander, said that while the PPF is "unquestionably well-capitalised and we're reassured the PPF has said it can fund the move", the cost of this policy change mustn't be applied to DB pension schemes via the PPF levy, should the funding position of the PPF deteriorate in the future.

Written by Sophie Smith and Callum Conway

Key pension takeaways

Reeves' Budget included plans to:

- charge National Insurance on salary sacrifice pensions above £2,000;
- extend the freeze on income tax thresholds;
- transfer the investment reserve fund of the British Coal Staff Superannuation Scheme to members;
- index for inflation on pensions accrued before 1997 in the Pension Protection Fund and the Financial Assistance Scheme;
- enable well-funded DB pension schemes to pay surplus funds directly to scheme members over the normal minimum pension age from April 2027.

Industry grapples with DB surplus changes

Whilst the measures announced in the Budget are set to be helpful, many are still cautious of the upcoming changes to DB surplus rules

Debate around the use of DB pension surplus funds has continued to grow over the past month, with changes announced as part of the Budget expected to create renewed interest in run on.

Alongside broader pension reforms, the Budget papers confirmed that the government will enable well-funded DB pension schemes to pay surplus funds directly to scheme members over the normal minimum pension age, where scheme rules and trustees permit it, from April 2027.

LCP partner, Steve Hodder, said this "looks like great news, and removes another hindrance to some well-funded schemes agreeing to share surplus".

"This announcement paves the way for a 'Christmas surplus bonus' approach that is easier for companies to swallow and probably more highly-valued by members," he stated. "It also, likely, brings forward tax revenues for HM Treasury."

HMRC has since provided some, albeit limited, further details on the plans, confirming that these payments will be treated as authorised payments and will be taxed as pension income at the individual's marginal rate of tax. For these payments to be made, schemes must be in surplus on the same funding basis as applies to payments to employers.

Industry experts had previously suggested that a change such as this would also help ease the debate around discretionary increases.

Further solutions, such as an arbiter being involved in surplus release, seems unlikely however, as when asked about this suggestion by the Work and Pensions Committee, Pensions Minister, Torsten Bell, instead stressed the role of trustees, emphasising that it will be trustees, not employers, that are "in the driving seat" on these decisions.

Whilst Bell was not drawn in on the suggestion of arbiters, he confirmed that there is "strong" monitoring and evaluation plans proposed for this, with data from The Pensions Regulator (TPR) and HMRC set to help show the use and scale of surplus policy.

"We will continue to monitor how trustees are able to use the surplus powers to benefit members and employers and whether there is any need for further changes," he stated.

But the industry remains cautious about the changes, as a poll from Sackers found that nearly a third (32.76 per cent) of respondents would 'never' consider releasing surplus while the scheme remains ongoing, even where this assumed that surplus is used to augment members' benefits, whilst 25.86 per cent would release surplus only if the scheme remains fully funded on a buyout basis.

This is in line with research from Standard Life, which found that nearly two-fifths (39 per cent) of DB pension trustees are uncomfortable with the government's proposed surplus reforms.

When asked to what extent the current proposals were in scheme members' best interest, the research found that only 32 per cent of DB trustees felt very or generally comfortable with the reforms, while 29 per cent had no opinion.

There was also variation in how industry experts expect surpluses to be used, as while 38 per cent of trustees surveyed highlighted interest in options such as enhancing member benefits, a further 38 per cent were more interested in supporting sponsor business growth, while 35 per cent would be most interested in reducing DC employer contributions.

However, a report from the Society of Pension Professionals (SPP) aimed to provide reassurance, emphasising that while the plans for DB surplus release in the Pension Schemes Bill are "not without risks" and will not be suitable for every scheme, these risks can be mitigated to improve outcomes for all.

Whilst the SPP acknowledged that changes to surplus release may not prove as lucrative as first hoped, with updated estimates from the Department for Work and Pensions downgrading the amount set to be raised from £160bn to £11bn over the next 10 years.

However, it argued that the new flexibilities nonetheless offer a "promising opportunity" to improve outcomes for all stakeholders in the right circumstances.

Written by Sophie Smith

Push towards productive finance gains momentum

The push for UK pension schemes to increase their investment in the UK has continued to gain momentum, despite market volatility pushing some to look further afield

The push towards UK investments continued to gain momentum over the past month, as UK pension schemes faced growing pressure to increase domestic allocations.

In particular, the past month saw more than 250 UK business leaders back an open letter calling on the Chancellor, Rachel Reeves, to do more to make DC schemes invest in the UK economy.

The letter said that while the recent announcement of the Sterling 20 to support UK investment is welcome, and efforts such as the Mansion House Accord and the Pension Schemes Bill are steps forward, more is needed to translate into actual investment flows.

"We urge you to be bold," the letter stated, calling on the government to condition the privileges that are granted to UK DC pension scheme default funds upon them allocating a minimum 25 per cent of their default fund assets to UK investments – across each asset class.

It suggested that this could be done by introducing a requirement for all DC schemes to designate a 'UK-weighted' fund as their default arrangement.

The policy would be expected to bring the default level of UK domestic pension investment closer to that of international competitors, with analysis suggesting that, by 2030, overall investment in UK equities by DC pensions would increase by around £76bn from current levels in today's money (+230 per cent) and potentially as much as £95bn.

"This would be a vital boost to the economy and help to crowd in further capital, creating a virtuous circle," the letter stated, suggesting that this could be applied across both public and private equities and indeed all asset classes in which a pension fund invests.

The letter, led by London Stock Exchange Group chairman, Don Robert, and CEO, David Schwimmer, received support from a wide range of UK business leaders, including representatives from Barclays, Anglo American, Compass Group, JD Sports Fashion, Associated British Foods, Mitchells & Butlers, and THG Group.

Announcements made since by the British Business Bank (BBB) and Reeves suggest that the focus on UK investments by pension schemes will continue to grow.

Announced shortly ahead of, and confirmed in, the Budget, the BBB is set to launch a Venture Link initiative for pension funds. This will form part of a package of measures intended to help pension funds boost their investment capability, reduce barriers to investment and unlock billions more in long-term investment for UK science, technology and innovation. The BBB will now consult with stakeholders on the design of the initiative.

Alongside this, the BBB has confirmed Aegon UK, NatWest Cushon and M&G as its partners for the targeted first close of British Growth Partnership Fund I.

The BBB is targeting a first close of £200m by the end of the financial year, which would enable the fund to begin investing into high-growth UK companies in 2026. Initially announced at the International Investment Summit, the British Growth Partnership is being established by the BBB to encourage more UK pension funds and other institutional investors into the UK's most innovative companies. Making use of a direct investing strategy, co-investing alongside the Bank's network of fund managers, the British Growth Partnership will leverage the Bank's position to help develop pipeline of opportunities that are aligned with institutional investors' needs.

BBB CEO, Louis Taylor, said: "This announcement brings us one step closer to mobilising institutional capital at scale into the UK's fastest growing companies, both diversifying pension portfolios and providing much-needed scale-up funding... We are making strong progress with our initial fund and this news demonstrates the appetite across the full spectrum of pension funds to increase allocations to UK venture capital."

Despite the growing focus on domestic investments, the past month also brought a reminder of the importance of diversification, as People's Pension announced that it had reduced its exposure to sovereign bonds, such as gilts and treasuries, after recent fiscal concerns led to heightened volatility in term premiums, resulting in lower risk-adjusted returns from these instruments.

Announced as one of a number of changes to its £6bn invested in the pre-retirement portion of its default fund, the shift also saw a "significant" restructuring of its fixed income allocation.

Written by Sophie Smith

PPF confirms plans to maintain zero levy for 2026/27

The lifeboat has adopted a flexible approach to allow it to maintain a zero levy as the Pension Schemes Bill continues to progress

The Pension Protection Fund (PPF) launched a consultation on next year's levy, confirming its intent to maintain a zero levy for UK conventional DB schemes in 2026/27.

The PPF recently confirmed that it had recalculated the 2025/26 levy on the back of recent progress made by the Pension Schemes Bill, which includes measures designed to provide greater flexibility in how the levy is set.

The latest update confirmed that the lifeboat's continued reserves, which are essential to protect against future risks, coupled with further improvements in scheme funding, mean it doesn't need to charge a material PPF levy.

Instead, the PPF will continue to build financial security principally through its investment returns.

However, the PPF confirmed that retaining a zero-levy next year is dependent on the passage of the levy measures through the remaining substantive stages of the bill, although timings at this stage remain unclear.

In recognition of the fact that the passage of the bill could extend beyond the end of the current financial year, at which point the PPF is required to publish its determination confirming its levy estimate and rules for 2026/27, the PPF has set out a flexible approach to align its decision-making with progress on the bill.

As part of this approach, the PPF said that it is prepared to allow as much time as possible for the bill to progress through its remaining stages before confirming its approach on 2026/27.

If sufficient certainty hasn't yet been achieved within this timeframe, the PPF has set out a fallback option for the conventional levy, which would allow it to use last year's levy estimate and rules, preserving the PPF's independence on the levy in lieu of legislative changes.

Importantly, this would include the same provision as was recently used for the 2025/26 levy, enabling the PPF to recalculate the levy back to zero for 2026/27, provided the levy measures remain appropriate and progress sufficiently through the remaining stages.

Written by Sophie Smith

LGPS reforms continue as govt launches latest consultation

The draft legislation supports the implementation of the changes included in the Pension Schemes Bill

The government has launched a consultation on two draft statutory instruments, designed to deliver several of the key Local Government Pension Scheme (LGPS) changes included in the Pension Schemes Bill.

The government previously confirmed that it would be pushing ahead with the majority of the proposals outlined in its LGPS fit for the future consultation, including plans to fully consolidate the scheme into asset pools, strengthen the governance of administering authorities and pools, and boost LGPS investment in their localities and regions.

Whilst primary legislation to implement the reforms is being taken forward through the Pension Schemes Bill, which is currently progressing through parliament, this consultation seeks views on two draft statutory instruments that will implement the specific LGPS proposals in the wider bill – covering pooling, local investment and governance measures.

Both pieces of legislation will require compliance from 1 April 2026, subject to the passage of the Pension Schemes Bill through parliament, although the government has included lead-in periods for specific requirements.

The regulations will be supported by guidance, of which the government is engaging with stakeholders about the nature of its content.

Written by Sophie Smith

VIEW FROM TPR: Treating member data as a strategic asset

As the pensions dashboards connection deadline approaches, trustees need to embrace their member data: It isn't just an administrative detail – it's their most important strategic asset.

We recently engaged with hundreds of schemes and saw encouraging progress on data quality. Yet the picture remains uneven. While most schemes have improved personal data, value data – the figures used to calculate benefits – often lags behind. In some cases, trustees lean too heavily on administrators, leaving gaps that could undermine dashboard readiness.

Good data underpins good governance. Neglecting it can be costly, both financially and reputationally. Trustees are accountable for accuracy – no one else.

Our recently revised data member guidance consolidates our expectations and best practice in one place. It calls for trustees to adopt a clear data strategy, allocate resources for improvements, and challenge service providers where standards fall short. Regular assessments and accurate reporting are not optional – they are essential.

With dashboards now less than a year away, the urgency is real. Trustees who treat data as a strategic asset will not only meet regulatory requirements but also strengthen trust in their schemes. Those who don't risk intervention – and the confidence of the savers they serve.

TPR executive director of market oversight, Julian Lyne

VIEW FROM PENSIONS UK: Pension saving still stacks up despite salary sacrifice cap

Despite industry's best efforts, the Autumn Budget has confirmed that changes to salary sacrifice arrangements will take place, with the amount exempt from NI contributions capped at £2,000.

Whilst this will likely influence savers' contribution habits, it is important to stress that pension saving remains tax-advantageous despite these changes. This message will need to be clearly communicated to savers to guard against any adverse behavioural shifts, especially against the backdrop of a looming retirement adequacy crisis for many.

This measure is not set to come into force until April 2029, which will help industry and policymakers work through the practicalities of the policy's implementation. The abolition of the lifetime allowance and the move to bring unused pensions into the scope of inheritance tax have shown that significant changes to pensions policy take time to get right. A longer lead-in period should also help mitigate any knee-jerk alterations to current workplace pension arrangements.

At Pensions UK we will continue to explore whether there is the possibility of a political rethink on salary sacrifice, by repeating the downsides risks and impact on savings adequacy. And of course, we will remain focused on broader questions of adequacy through our work with the Pensions Commission.

Pensions UK parliamentary & stakeholder affairs adviser, Jamie Neath

VIEW FROM THE PMI: Budget 2025 – why stability matters for pensions

At the PMI, we recognise the severe fiscal challenges facing the UK and accept the need for savings. And, following the Budget, we are pleased that many positives remain within our pensions system. It's important to acknowledge that salary sacrifice has not been completely abolished and broader pensions tax treatment remains.

However, the decision to cap national insurance relief on salary sacrifice contributions risks creating uncertainty for savers and employers at a time when confidence is critical.

For years, our industry has called for a long-term pensions policy free from political cycles. Piecemeal changes, however well-intentioned, add complexity and foster short-term thinking.

With a Pensions Commission reviewing these issues holistically, this is the moment to pause and focus on building a sustainable framework that reverses undersaving and strengthens trust.

If we get the strategy right, we can unlock higher contributions and channel investment into UK private markets. Instead, limiting relief will make saving more expensive and could discourage contributions beyond the minimum.

We're calling for clear guidance, transitional arrangements, and detail on implementation. Administrators need time to adapt systems, and savers deserve clarity to avoid knee-jerk decisions.

PMI chief strategy officer, Helen Forrest Hall

News in brief

Pensions Age **summarises some of the latest news in the pensions industry, including the latest acquisitions, de-risking deals and guidance updates...**

Guidance updates

The past month saw several updates made to key industry guidance and standards, covering issues from data to climate:

• The Pensions Regulator (TPR) published updated scheme member data quality guidance, replacing its previous record-keeping guidance. The update reinforces that trustees are legally accountable for the quality of member data and must ensure strong governance and internal controls even where duties are delegated to administrators or sub-committees. TPR also announced that it had revised the Pledge to Combat Pension Scams.

• The Pensions Administration Standards Association (PASA) published new data quality guidance, alongside a new data improvement plan template. PASA also published the first in a new three-part guidance series on digital administration, emphasising the need for a saver-centric approach. The next set of guidance, due in January 2026, will focus on actionable strategies and planning frameworks for delivering digital transformation.

• The Association of Professional Pension Trustees updated its Code of Practice for Professional Corporate Sole Trustees to reflect recent market shifts and changes in trustee requirements.

• The Financial Reporting Council published its guidance to support the updated UK Stewardship Code 2026, having made several amendments in response to the wide range of stakeholder feedback received.

De-risking momentum continues

Building on the expectation of a busier second half of the year in the risk transfer market, November saw several key deals, including a large longevity swap:

• The trustee of the Dolce Limited Retirement Benefits Scheme completed a £9.3m buy-in with Just Group, securing the benefits of its 510 members.

• The trustees of the Brockhampton Pension Scheme completed a £40m buy-in with Just Group, securing the benefits of 250 remaining uninsured members.

• The Millennium Inorganic Chemicals (U.K.) Pension Scheme agreed a £30m buy-in with Just Group.

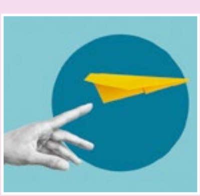
• The trustee of the Wolseley Group Retirement Benefits Plan completed a £600m buy-in with Aviva, covering the benefits of nearly 10,000 members.

• The Laurel Pub Pension Scheme and the Yates Group Pension Scheme agreed two buy-ins with Utmost Life and Pensions, totalling a combined £62m.

• The Transport Friendly Society Staff Pension Scheme completed a £3.3m full scheme buy-in with Just Group, securing the benefits of all 30 members.

• The BBC Pension Scheme has completed a £6bn longevity swap deal with Zurich Assurance and global reinsurer Metropolitan Life Insurance Company (MetLife) covering around 21,000 members.

A changing market



The past month saw continued consolidation and evolution amongst the key industry players:

• Independent Governance Group acquired KGC Associates, in a move that is intended to strengthen its governance offering.

• Smart Pension agreed to acquire the WS Stakeholder Pension Scheme, with the acquisition expected to see the group become the eighth largest DC master trust in the UK.

• The Local Pensions Partnership Investments pool confirmed that it is on track to expand further, after nine Local Government Pension Scheme (LGPS) funds formally indicated their intention to join the expanded pool.

• The Pensions Management Institute announced plans to work with more large pension sector employers to maximise how their staff develop, as part of its new Development Partnerships programme.

• Evelyn Partners Group agreed to sell its employee benefits consultancy arm, Evelyn Partners Financial Services, to Howden for an undisclosed amount.

• LGPS Central is expected to see its total assets under management increase to around £100m following the news that six partner funds have formally indicated their intention to join the pool, bringing the total number of partner funds to 14.

VIEW FROM THE AMNT: Trustees – how other people see us and how we see each other

As we move towards Christmas, rumours increase about government-based consultations on trusteeship. Some of the big questions cover education, self-worth, honesty, ability and competency.

Quite rightly, it is expected that those of us becoming member trustees should be above reproach. We should take decisions solely in terms of members interests and not to gain financial or other benefits for ourselves, family or friends. Also, that we will not place ourselves under any financial or other obligations to organisations that might influence us in performing our duties. To that end we will declare any private interests relating to our work as trustees and take steps to resolve any conflicts arising in a way that protects the schemes.

Although the vast majority of pension trustees in the UK are either employer or employee nominated, increasingly there is a demand for a qualified/accredited trustee on every board. However, even this principle leads to unexpected consequences.

The recruitment of a professional trustee appears to start with the scheme sponsor talking to their pension advisers. They produce a 'short' list from which the successful trustee is chosen and normally paid for by the sponsor. Definitely not an open recruitment process. So, it's hardly surprising that the majority of professional trustees come from just four firms. Many of these firms then start selling further services to the scheme where their own trustee is a board member.

This process seems flawed. Surely, we need a total review of conflicts and concentration for pension trusteeship in the UK?

AMNT co-chair John Flynn

VIEW FROM THE ABI: Responding to the Budget

As an industry, we've long warned that the UK is heading towards a retirement crisis. The Minister for Pensions stated that we are on course for tomorrow's pensioners to be poorer than today's. So, at a time when saving more is essential, salary sacrifice reform only serves to to accelerate this. These measures discourage pension saving and add further complexity to an already over-complicated system.

From April 2029, only the first £2,000 of pension contributions through salary sacrifice each year will be exempt from NICs. The consequences will be significant.

And it doesn't align with the intentions set out by government when it introduced the Pension Schemes Bill to parliament and launched the Pensions Commission.

Our polling shows that two in five savers would reduce their pension contributions if salary sacrifice were capped. Adding insult to injury, findings from our joint survey with REBA showed 31 per cent of employers would be forced to cut their employee pension contributions too.

Although, the distant implementation date of April 2029 will provide some relief, the administrative burden will be substantial.

Constant tinkering and speculation can be corrosive for trust and confidence in the pensions system. This is especially worrying when we need to be encouraging people to save more for later life.

ABI policy adviser, long-term savings, Roberto Marrocco

VIEW FROM THE PPI: Collective DC (CDC) as a retirement product

The government has recently launched a consultation on retirement CDC – a CDC scheme that someone could buy into at retirement, using a typical DC pot. This could be the beginning of a large market that makes CDC accessible to many savers who will not have the opportunity to join employer CDC schemes.

The consultation illustrates the government's current vision of retirement CDC. This involves a wholesale market where default retirement CDC schemes are selected by trustees on behalf of DC members, rather than CDC being marketed to individuals directly. The PPI identified in research that the biggest challenge of retirement CDC is member communications, and by involving trustees in this way, members will not need the expertise to identify an appropriate scheme, nor be left without support to make the complex decision to join. The consultation also proposes several technical features to address some of the practical questions about retirement CDC.

As this consultation proceeds, large sections of Generation X are approaching retirement with insufficient savings and may not have enough time for future auto-enrolment reforms to have a meaningful effect on them. Retirement CDC products may be one of the relatively few options that could make their money go further, and their retirement income more sustainable.

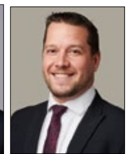
PPI policy analyst, John Upton

Appointments, moves and mandates


Gareth Roberts

Isio has announced the appointment of Gareth Roberts as chief financial officer. Roberts joins Isio from Howden where he was most recently finance director. Before this, he served as Bupa group financial controller and was partner at Deloitte. He will oversee the organisation's financial operations. The appointment coincides a period of expansion at the company, following Aquiline's recent investment. Commenting on the appointment, Isio CEO, Andrew Coles, said: "We are delighted to welcome Gareth to the team. His extensive experience in senior finance roles for large, complex organisations will be crucial in ensuring we are well-positioned for our next phase of growth."


Jonathan Ord


Daniel Dobson


James Harraway

Local Pensions Partnership Investments (LPPI) has appointed a new direct infrastructure leadership team. Jonathan Ord has been promoted to head of direct infrastructure, having served as head of investment at the business since January 2024. In addition to this, Daniel Hobson, formerly head of infrastructure asset management, will transition into a newly created role of head of origination and execution. James Harraway, who has been appointed as head of value creation, joins from Infracapital where he worked as managing director. Harraway has more than 20 years of experience in infrastructure investment in mergers and acquisitions.


Claire Fuller

First Actuarial has appointed Claire Fuller and Robert Hurst as co-heads of administration. Fuller moved to First Actuarial in 2013, after spending 16 years at Xafinity, where she dealt with systems and data analysis. Fuller's most recent role at First Actuarial was head of pensions administration systems. Meanwhile, Hurst has worked in pensions administration for 27 years and was appointed as process manager at First Actuarial in 2020. Both Fuller and Hurst are actively involved in the Pensions Administration Standards Association, working with colleagues across the industry on standards for process and data quality in pensions administration.


Steven Jones

Dalriada has appointed Steven Jones as senior pensions manager on its pensions management team. Jones has more than 20 years of experience in pensions and employee benefits, spanning both defined benefit and defined contribution schemes across the public and private sectors in the UK and overseas. He has expertise in scheme governance, project management, and operational delivery, having advised on complex pension arrangements and led initiatives including buy-ins, buyouts, scheme wind-ups, and mergers. Dalriada said that Jones' pragmatic and solutions-driven approach makes him a valuable addition to its team.


Lesely-Ann Morgan

Legal and General (L&G) has appointed Lesley-Ann Morgan as its global head of defined contribution. Morgan will report to L&G Assset Management chief client officer, Sarah Aitken, while L&G head of UK DC distribution, Jayesh Patel, will report to Morgan. In this new role, Morgan will lead L&G's DC distribution team and will also be in charge of developing and executing the firm's client and commercial strategy for DC globally. She has over 30 years of experience in client facing roles, consultancy and investment management and joins L&G from Schroders. At Schroders, she held several senior leadership positions. Most recently she was global head of pensions and retirement. In this role, she was responsible for the global startergy for pension scheme clients including driving business development, product design, and market engagement. Prior to Schroders she spent 18 years as an investment consultant and partner at Towers Watson, where she served as the lead adviser to a range of DB and DC schemes. Commenting on the appointment, Morgan said: "I'm thrilled to be joining L&G at such a pivotal time for the business and the wider pensions industry. There is clear long-term growth in DC pension savings and I'm excited to help deliver the innovative solutions that are needed to meet the evolving needs of clients. The scale of the opportunity to support millions of savers globally is immense, and I look forward to working with the team to further strengthen our client proposition and expand into new markets."


Nadeem Ladha


Rekha Owen


Huw Evans


Kate Grant

TPT has appointed an independent trustee board for its new run-on defined benefit (DB) superfund.
Aretas Trustees partner and professional trustee, Nadeem Ladha, will chair the board. The board will also include Law Debenture professional trustee, Rekha Owen, BESTrustees director, Huw Evans, and Capital Cranfield trustee director, Kate Grant. Ladha is an accredited professional trustee and qualified actuary with over 20 years' experience in the pensions industry and a founding partner of Aretas Trustees. Owen is an accredited professional trustee and CFA Charterholder from Law Debenture. Rekha brings more than 25 years' experience in the investment industry and spent nearly 20 years at Mercer. Evans is a trustee to seven pension schemes and chairs six of these trustee bodies – two of which he sits on as sole trustee. He is also a fully accredited member of the Association of Professional Pensions Trustees. Grant is an accredited professional pension trustee with more than 30 years' experience in the pensions and reward industry. Kate has held senior roles in numerous FTSE-listed global companies. TPT said that the appointment of the board is an important step in the development of its superfund solution and that it is necessary in advance of The Pensions Regulator's assessment of TPT's superfund proposition.


Karen Graves

Broadstone has appointed Karen Graves as non-executive director to its board, effective 1 November.
Graves started her career in compliance before becoming chief operations officer and then managing director at a Lloyd's Managing Agency. She is also a non-executive director within the insurance sector, currently serving as GreenKite chair and an independent non-executive director of United Services Automobile Association SA (USAA), Allied World Managing Agency and Accelerant UK. Graves said: "I look forward to adding my specialist knowledge and helping the business develop its differentiated market proposition to deliver continued and long-lasting success."

Pensions for Purpose has announced the appointment of four members to its advisory group.
The appointments include Nest responsible investment manager social themes lead, Chloe Horne, Ballie Gifford director clients department, Rosie Rankin, Denominator chief technical officer, Stanilav Sartasov, and Sackers partner Stuart O'Brien. The advisory group provides feedback on its business strategy and services and holds the company accountable by providing value for members and ensures it fulfils its mission statement. The group provides feedback on its business strategy and services and holds the company accountable by providing value for members. All group members have a term of three years and after it is completed the position is offered to members with a comparable profile, working for a similar-sized and type of organisation.


Andrew Simpson

Barnett Waddingham has announced the appointment of Andrew Simpson as partner in its actuarial consulting team.
Barnett Waddingham has announced the appointment of Andrew Simpson as partner in its actuarial consulting team. Simpson joins from Mercer where he led the firm's Edinburgh office and actuarial consulting, defined contribution, investment and strategy. Before this, he was deputy leader of KPMG's corporate consulting team in Scotland. He brings experience in corporate advisory, risk transfer and consolidation vehicles having advised a wide range of corporate and trustee clients on pension and employee benefit strategies.


Rosie Fantom

M&G has announced the appointment of Rosie Fantom as head of origination and execution for its Corporate Pensions Solutions business.
In her new role, Fantom will lead a team of around 10 people and be responsible for identifying and securing new business opportunities, shaping client propositions, and overseeing the structuring and execution of pension risk transfer (PRT) transactions. Fantom is a qualified actuary and brings a wealth of experience from over 17 years in the PRT market. Most recently, she was head of bulk annuities at Barnett Waddingham, and prior to this, she worked for Scottish Widows. Fantom said she is "thrilled to be joining M&G at such a pivotal time".

VIEW FROM THE PPF: The 20th *Purple Book* published

As we publish the 20th edition of the *Purple Book* in the PPF's 20th anniversary year, the numbers don't show big swings or surprises; instead, they paint a picture of a system that has quietly become more secure and more mature over time.

Funding levels remain strong, with an aggregate surplus of £214bn and a funding ratio that's edged up to 125 per cent. Higher gilt yields reduced asset and liability values and while equities performed positively, they now make up only around 15 per cent of total assets. The result is a year defined by stability rather than movement, with shifts tending to balance each other out.

While schemes are steadily moving along their chosen endgame paths, some statistics appear to have stabilised, at least in the short term. The proportion of schemes closed to new benefit accrual has been around 73 per cent for the past three years, and bond allocations remain around 70 per cent. The proportion of assets held in annuities has reached almost 13 per cent, the highest we've ever reported, potentially reflecting the number of schemes preparing for buyout after securing buy-ins.

Risk transfer activity remains very strong, and we know smaller schemes continue to face proportionally higher running costs, which often drives their decisions to de-risk or consolidate.

The shape of the DB universe hasn't shifted much either. Only 4 per cent of schemes are still open to new members, and the decline in active membership has slowed. For me, this year's *Purple Book* is a reminder of how far the DB system has come over two decades.

Pension Protection Fund

PPF chief actuary, Shalin Bhagwan

VIEW FROM PASA: Why public sector admin collaboration matters more than ever

Many of the arguments for investment pooling lend themselves to Local Government Pension Scheme (LGPS) administration.

There's substantial variation in the quality of administration provided to public sector schemes. Recent regulatory demands, such as the Pensions Dashboard Programme and the McCloud remedy have added significant additional resource challenges, which have highlighted areas of inefficiencies and duplication. Working in isolation risks duplication, higher costs, and uneven member experiences.

Collaboration doesn't necessitate mergers; rather, it means sharing expertise, aligning best practices, and leveraging collective problem-solving. Public sector administrators face similar challenges; data quality, system constraints, and evolving governance requirements.

Technology is already changing how we undertake pensions administration and will do so more in the future. Larger administrators may have more bandwidth and resources to invest and drive forwards innovation, and this can be shared for the benefit of others.

PASA is creating a Public Sector Working Group to provide a forum for discussion, guidance and practical solutions. We'd love to hear from our members to gain their expertise and input.

PASA assess | aspire | achieve

PASA director, Joanne Darbyshire

VIEW FROM THE ACA: The consequences of pensions tinkering in the Budget

The Chancellor's announcement to limit the benefits of salary sacrifice from 2029-30 is unfortunately another example of tinkering the pensions tax system.

With only some £2.6bn contribution to the state's tax revenue in 2030-31, it doesn't look like a long-term solution and could easily be something that over time becomes another stealth tax to phase out salary sacrifice that civil servants and public sector employers don't benefit from.

Far from being a tax just on high earners, a £2,000 limit to salary sacrifice will hit those employees at much more modest earning levels for saving more than auto-enrolment minimums, generally considered to be inadequate – for example, the cap will start to bite for employees earning over £33,000 a year for those saving 6 per cent of earnings. Incentivising occupational retirement saving and rewarding those prepared to lock away earnings today for tomorrow is all the more important given the lack of long-term sustainability of the unfunded state pension.

This tinkering will only continue to feed the cycle of uncertainty and speculation ahead of each budget announcement eroding trust in long-term retirement savings in the UK that we vitally need. Given the Pensions Commission's review will begin to outline their thinking and work from next year to tackle the long-term savings adequacy challenges, we really need coherent long-term policy from government rather than further tinkering where the pain to implement falls on employers and employees.

ACA ASSOCIATION OF CONSULTING ACTUARIES

ACA chair, Stewart Hastie

Diary: December 2025 and beyond

Pensions Age Awards
3 March 2026
Grosvenor House, London

The 13th annual Pensions Age Awards aim to reward both the pension schemes and the pension providers across the UK that have proved themselves worthy of recognition in these increasingly challenging economic times. The awards are open to any UK pension scheme or provider firm that serves pension schemes in the UK. With a record-breaking number of entries, book your table now to secure your place!

pensionsage.com/awards

Pensions UK Investment Conference
10-12 March 2026
EICC, Edinburgh

Pensions UK's Investment Conference, the first under its new name, will bring together voices from government and pensions investment to tackle the biggest questions shaping the pension industry. From political change and regulatory reform, to sustainability and technology, the event will spotlight new ideas, strategies, and perspectives on growth, value, and the power of pensions to transform economies and lives.

plsa.co.uk/events/conferences

Netherlands Pensions Awards
April 2026
Amsterdam, Netherlands

The inaugural Nederlandse Pensioen Awards, organised by European Pensions, are now open for entries. These awards celebrate excellence, innovation and leadership within the Dutch pensions industry, shining a spotlight on the organisations and individuals pushing the sector forward. They offer a unique opportunity to gain sector-wide recognition in the pensions sector. Open to all firms serving pension funds in the Netherlands, book your table now!

europeanpensions.net/nederlandawards

Pensions Age Spring Conference
30 April 2026
Hilton London Tower Bridge

The Pensions Age Spring Conference is back, bringing together pension funds and those working in the pensions sector for a day of learning, debate, and networking – all at one of the most transformative times in UK pensions history. The conference provides delegates with up-to-date insight, guidance, and practical takeaways to help them run their schemes more effectively, across both the DB, DC and hybrid landscapes.

pensionsage.com/springconference/

Visit www.pensionsage.com for more diary listings

Don't forget...

PPF consultation on 2026/27 levy closes

5 January 2026

The Pension Protection Fund's consultation on its plans for next year's levy closes in early January. The PPF has opted for a flexible approach to align its decision making with progress on the Pension Schemes Bill.

ppf.co.uk/levy-payers/help-shape-our-rules

VIEW FROM THE SPP: Reviewing the Budget announcements

The SPP's mission includes supporting the delivery of an effective operating and regulatory environment. How does the 2025 Budget help with this mission?

The 2025 Budget included three key new changes affecting pensions. The Chancellor announced:

(1) a £2,000 cap on pension salary sacrifice arrangements from April 2029;

(2) that the PPF and FAS will start (from January 2027) to pay (capped) increases on certain pre-97 pensions; and

(3) that well-funded DB schemes will (from April 2027) be able to pay surplus funds to scheme members over NPA if scheme rules and trustees allow

The cap on salary sacrifice contributions could have a negative impact on pension saving at a time when people are already not saving enough, although the delayed implementation to 2029 does at least give employers and employees some time to adjust to the change.

We welcome the PPF/FAS compensation change, but it would have been good to have seen greater consultation with the industry in advance.

The surplus sharing change is positive and should help to unlock surplus sharing arrangements for ongoing schemes as between members and employers.

We will continue to work with government officials and regulators to try to make these changes as workable and clear as possible.

THE SOCIETY OF PENSION PROFESSIONALS

SPP member, Jeremy Goodwin

2025: The year of the big pension overhaul

2025 has been a year of structural transformation and consolidation in UK pensions, driven by government reform, regulatory modernisation, and industry alignment toward long-term value. Paige Perrin looks back on the year

January

• Torsten Bell was appointed as Pensions Minister
• Prime Minister, Kier Starmer, and Chancellor, Rachel Reeves, announced plans to lift restrictions on how well-funded occupational DB pension schemes can invest their surplus funds

February

• The Pensions Regulator (TPR) confirmed that it will change its approach to supervision and regulation of the DC market to make master trusts the 'gold standard' in pension provision
• The Financial Conduct Authority (FCA) was urged to provide further clarity on how trust-based pension schemes will be able to confidently make the most of targeted support, as its targeted support consultation ended

March

• Bell confirmed his intention to lay the Pensions Bill in parliament before summer recess, with the final report on the Pension Investment Review to be finalised in "the coming weeks"
• The Department for Work and Pensions (DWP) wrote to the Work and Pensions Committee confirming that it is expecting to resolve all remaining state pension underpayment cases by the end of March 2027
• The Pensions Dashboards Programme confirmed that the first three pensions dashboards participants had completed their 'full end-to-end' connection
• Reeves delivered her Spring Statement with no significant changes announced in relation to pension policy or pension tax reliefs

April

• TPR announced that it will extend its oversight to include professional trustee firms as part of its move to a more prudential style of regulation
• The government shared its response to the WPC's report on DB pensions, confirming plans for a consultation on measures to improve scheme governance "later this year"
• Bell confirmed that the government is moving forward with its plans to extend collective defined contribution (CDC) to multi-employer schemes, with legislation set to be laid in parliament in the autumn

May

• The Mansion House Accord was announced, with 17 of the largest UK workplace pension providers expressing their intent to invest at least 10 per cent of their DC default funds in private markets by 2030, with 5 per cent of the total allocated to the UK
• The government shared the final Pension Investment Review report, confirming that it will take a reserve power in the Pension Schemes Bill (PSB) to set binding asset allocation targets. The report also confirmed the March 2026 deadline for Local Government Pension Scheme (LGPS) asset pooling, with a backstop power set to be taken in the PSB to protect the interests of LGPS members and local taxpayers
• The government launched a consultation on a range of proposals relating to the LGPS England and Wales
• The government shared its response to the 2024 Options for DB Pensions consultation

June

• The government published the new PSB
• The government outlined a pensions roadmap, an indicative timeline for the next five years of pension reform
• The government confirmed that it will introduce legislation to deal with issues arising from the *Virgin Media* judgment
• The FCA announced it is consulting on plans to allow firms to offer targeted support and provide suggestions to groups of consumers with common characteristics

July

• The Pensions and Lifetime Savings Association rebranded as Pensions UK
• Industry experts expressed their disappointment after Reeves failed to announce the launch of the second phase of the pensions review at her Mansion House speech
• The PSB returned to parliament for its second reading
• The government 'revived' the Pensions Commission as part of its work to

explore the barriers stopping people from saving enough for retirement
• The Pensions Ombudsman outlined plans to tackle the rising and "unprecedented" demand for its services
• MPs urged the government to commit to a UK-wide, cross-government strategy to tackle pensioner poverty
• Pensions industry representatives attended a roundtable to inform the forthcoming value for money consultation, publicly unveiling the Pound for Pound initiative for the first time
• The government confirmed that it will bring pensions into the scope of inheritance tax (IHT) from April 2027 although it made changes in response to industry feedback, deciding that lump sum death in service benefits are not to be brought into scope of the IHT regime
• The government launched a review into the state pension age (SPA)
• DWP released three reports - *Analysis of Automatic Enrolment Saving Levels, Analysis of Future Pension Incomes 2025 and Gender Pensions Gap in Private Pensions,* all relating to pensions adequacy

August
• The government's consultation on plans to improve fairness and tackle inequality in the LGPS closed
• The DWP launched a call for evidence to support its third SPA review
• HM Treasury confirmed that the upcoming changes that will see unused pensions come into the scope of IHT will apply to the pension pots of people who die before reaching the minimum pension age
• The FCA's targeted support consultation closed
• TPR confirmed it is making updates to the Trustee Toolkit

September
• The PSB began its Committee Stage in the Commons, where mandation, member safeguards, and indexation dominated debate
• Bell confirmed the government's intent to abolish the PPF's administration levy, with plans to include this in the next round of PSB amendments
• The PPF confirmed that it will not charge a conventional PPF levy for 2025/26
• HMRC and the FCA issued a statement clarifying the interaction between tax legislation and regulatory rules on pension cancellation rights

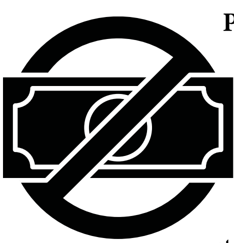
October
• The government gave the green light on regulations for multi-employer CDC pension schemes
• Concerns over the sustainability of the state pension triple lock continued to grow
• 20 of Britain's largest pension providers and insurers launched an investor-led partnership, the Sterling 20
• The government launched a consultation on four proposed changes to the LGPS in England and Wales, sharing the draft regulation for the first two changes alongside this
• Commissioner, Nick Pearce, announced that the Pensions Commission is expected to publish its interim report in the spring

November
• WPC launched a new inquiry on the transition to SPA ahead of the scheduled increase in SPA from 66 to 67 next year
• The government rejected calls for a new cross-departmental framework to tackle pensioner poverty
• The government announced it will revisit its decision not to provide compensation to women affected by state pension age changes, following the emergence of previously unseen evidence in ongoing legal proceedings
• The PPF launched a consultation on its plans for next year's levy, confirming its intent to maintain a zero levy for UK conventional DB schemes in 2026/27
• Reeves revealed in the Autumn Budget plans to charge National Insurance on salary sacrifice pensions above £2,000

The Pension Schemes Bill
Published in June this year, the Pension Schemes Bill provided further insight into the government's upcoming reforms, including its consolidation plans. These include introducing rules to create multi-employer DC scheme megafunds, consolidating the LGPS with assets to be held in six pools and consolidating pension pots worth £1,000 or less into one pension scheme. Additionally, the bill outlined plans to introduce a value-for-money framework, increase flexibility for DB schemes to release surplus funds and simplify retirement choices by requiring all schemes to provide default pathways for income in retirement, as well as other reforms. The bill passed through its first and second readings in the House of Commons (HoC) as well as the committee stage in September. Several amendments were proposed, including calls to extend the scope of the bill in certain areas, abolish the PPF admin levy, address pre-1997 indexation issues, and make changes to the proposed reserve power. The bill had its final stage in HoC in early December.

Mandation and the Mansion House Accord

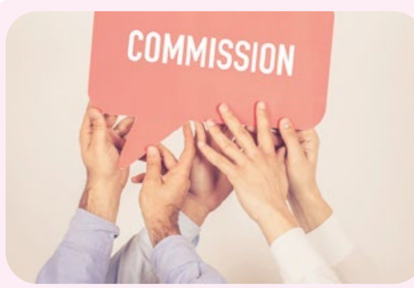
Arguably, the biggest topic of discussion this year has been born out of the Pension Schemes Bill's reserve power that would allow the government to set binding asset allocation targets for pension schemes. There has been much discussion about how the mere threat of mandation is the "worst of both worlds", and also that the government having this power would be a fundamental shift in the UK pensions framework, which risks undermining trustee independence, distorting investment strategy and eroding member confidence. It has also been highlighted that, in May 2025, 17 pension providers voluntarily signed up to the Mansion House Accord, which seeks commitment from DC providers to allocate at least 10 per cent of their DC default funds to private market assets by 2030, and for at least 5 per cent of that total allocated to UK private markets. However, when Bell was asked about the mandation power in October at the Pensions UK Annual Conference, he told the industry to "chillax", maintaining that the power was intended only to ensure the industry meets the commitments it has made, not to interfere with trustees' fiduciary duties.



Pension Protection Fund (PPF) Levy and Administration Levy

The PPF announced at the start of the year that it more than halved its levy estimate for 2025/26 to £45 million after the government confirmed plans to give the PPF greater flexibility to reduce the levy it collects from pension schemes by relaxing restrictions.

At the same time, the PPF introduced a new provision in its levy rules that would allow its board to calculate a zero levy if the necessary changes for greater flexibility in the PPF are brought forward. In August, the PPF put the 2025/26 levy invoicing on hold, leaving the door open for it to move to a zero levy for conventional schemes. And in September, the lifeboat confirmed that it will not charge a conventional levy for 2025/2026, due to the Pension Schemes Bill's recent parliamentary progress. Later in the month, the Pensions Minister announced that the government intended to abolish the PPF administration levy, with plans to include this as part of the next round of amendments to the Pension Schemes Bill. In November, the PPF launched a consultation on its plans for next year's levy, confirming its intent to maintain a zero levy for UK conventional DB schemes in 2026/27.



Pensions Commission

Another big policy movement this year has been the revived Pensions Commission. The commission is part of the government's work to explore the barriers stopping people from saving enough for retirement. The commission will examine why tomorrow's pensioners are on track to be poorer than today's and assess the pension system as a whole and look at what is required to build a future-proof pensions system that is strong, fair and sustainable. It will share its final report in 2027. The revival of the commission comes on the back of the previous commission, which the government said was a "huge success" in building a consensus for the roll-out of automatic enrolment into pension saving. It is made up of Baroness Jeannie Drake (a member of the original commission), Sir Ian Cheshire and Professor Nick Pearce, who will be responsible for steering its work. In October at the Pensions UK conference, Pearce announced that the commission is expected to publish its interim report in spring 2026, which will act as the "first staging post", setting out the evidence base and strategic direction for its work on assessing the UK's pension system.

State pension age review

Alongside the commission, the government has launched the third review of the state pension age (SPA). The government has commissioned two independent reports for the government to consider when deciding the SPA for future decades. The review is required by law and as part of the government's obligations under the Pensions Act 2014, which requires the government to review SPA every six years. Dr Suzy Morrissey will report on factors the government should consider relating to SPA, while the Government Actuary's Department will prepare a report on the proportion of adult life in retirement.

Local Government Pension Scheme (LGPS) pooling
Much of the big developments this year have built on Reeves' 2024 Mansion House speech proposals, which emphasised consolidation and greater investment in UK productive finance. For the LGPS, this meant proposals to streamline the eight existing pools into six, aimed at broadening investment opportunities and increasing UK productive finance allocations. In April, the government confirmed its support for six pools, while proposals from Access and Brunel were not approved. As a result, 21 funds that were previously part of Brunel and Access were asked to seek new pooling arrangements. Funds were required to make a final decision on new partners by the end of September, with most signalling their formal decisions in the weeks ahead of the deadline.

CDC
In April, Bell confirmed that the government is moving forward with its plans to extend CDC to multi-employer schemes, with legislation set to be laid in parliament in the autumn. In October, the government gave the green light on regulations for multi-employer CDC pension schemes. Industry experts welcomed the regulations, which intend to allow the expansion of CDCs to more employers and address a growing

demand among workers to receive a more secure retirement income, but warned that their success will hinge on scheme design, fairness and communication.

Bulk purchase annuity (BPA) market
The BPA market, like previous years, has been busy. Indeed, research from LCP earlier this year showed that the BPA market is on track for a predicted 350 transactions this year, up from 293 last year, while volumes are expected to exceed £40 billion for the third consecutive year. In the first half of the year alone, over 150 buy-in and buyout transactions closed, mostly in the medium to small-sized side of the market. There are also now 11 insurers in the market, following Utmost Life and Pensions' confirmation of its entry into the UK BPA market earlier this year. In addition to this, there were also several acquisitions that have impacted the BPA market. Pan-European savings and retirement services group Athora Holding Limited agreed to acquire Pension Insurance Corporation (PIC) Group, and Brookfield Wealth Solutions announced plans to acquire Just Group. These acquisitions truly convey the amount of change the BPA market is experiencing with increased competition, more competitive pricing and greater choice due to an increased number of insurers now in the market.

Written by Paige Perrin

A week in the life of: Aon head of UK investment, Maria Johannessen

As head of UK investment at Aon, I drive the strategic direction of our dynamic and growing UK investment business. I'm also responsible for leading a team of more than 300 investment professionals, serving and innovating for all types of institutional clients. In my role, spending time with our clients is hugely important to me and this is a big part of my week. No two days are alike, but I am always energised by the range of different opportunities to work with great people – here at Aon and the wider industry.

Monday

My mornings start early, and I am usually on my way to the office by 7:30am. I live in London, so it's a short commute to The Aon Centre. This Monday started with Aon's UK leadership team, which I am a member of, discussing our growth plans and priorities for 2026. It's always great to hear ideas and talk strategy with my peers from other areas of Aon.

The day continued with a deep-dive session with one of our endowment clients, focusing on defining their long-term investment objectives. I was also pleased to spend time with our newest senior hire, Lin Qu, who will help drive our engagement with insurers and reinsurers. Monday ended with my monthly catch-up with Jane Kielty, Aon's UK chief executive officer to discuss strategy, client delivery and raising the profile of the team.

Tuesday

Tuesday this week was all about private markets, which is a key area of focus for our clients. The day started with a client breakfast, which I hosted together with Karen Rode, our global head of private markets research. Karen flew in from the US to join us for our recent annual investment conference where developments in private markets, and the next wave of investment opportunities, were top of delegates' minds.

Following several engagements alongside Karen, in which we discussed the drivers for capital flow to private market investment, we continued the conversation with clients over dinner.

Wednesday

On Wednesday, I headed out of London to Peterborough, with my colleagues from our DC Solutions team to present The Aon MasterTrust, and our partnership with Aegon, to a potential client. They were interested in our ability to provide them with an efficient and high performing solution to support members at scale, which we are well positioned to do. The investment performance and client service we have delivered for our Aon MasterTrust clients and members is something we are all very proud of here at Aon.

Later on, I attended an awards ceremony, celebrating women and rising stars in the pensions industry. I have long been a champion of diversity and inclusion and events like this are important to attract, develop and foster talent.

Thursday

Thursday started early with two meetings with new clients at The Aon Centre, followed by a trip across London for a meeting with several trustees.

In the evening, I was honoured to be a guest at a dinner for chief investment officers (CIOs), representing a wide range of investment portfolios. It's hugely important to me to actively engage with a range of different views, and this evening was a great opportunity to see how CIOs are thinking about the year ahead. I also enjoyed being seated directly across from the guest speaker, Theresa May, who has a wonderful sense of humour.

Friday

Friday usually involves taking time for wellbeing, reflecting on the week, catching up on emails and finalising plans for the following week.

Next week is an important milestone for the UK economic growth agenda and I have been invited to join the first Sterling 20 session, hosted by the Lady Mayor, Dame Susan Langley, and HM Government. This is a key initiative focusing on how institutional investors can support UK growth, and a great opportunity to represent the voice of our clients.

Against the clock

The government's retirement CDC consultation has sparked renewed enthusiasm, but with guided retirement duties coming fast and a decumulation-CDC framework yet to be finished, industry experts fear it could be too little, too late

Summary

- Regulatory drift and misaligned timelines could risk putting decumulation-only CDC adoption just out of reach for many savers.
- Further clarity and a shift in timings is needed to give trustees enough time to consider decumulation-only CDC and decide whether it is the right choice for their scheme.
- Scale, governance and communications will also be challenges for decumulation-only CDC offerings.

After years of discussion, the time for decumulation-only collective defined contribution (CDC) options seems to finally be on the horizon. The government's recent consultation on 'retirement CDC' schemes signals a clear step toward rethinking how savers access secure retirement income.

Responses to this consultation have seen the pensions industry unusually united: Retirement CDC has real potential to fill the 'missing middle' between drawdown and annuities, but the pitfalls are real, and member communications could make or break adoption. And whilst the upcoming guided retirement duty creates renewed support for decumulation solutions, it also creates a tight timeline and added pressure.

The risk of regulatory drift

To be introduced as part of the Pension Schemes Bill, the guided retirement duty will require trustees to provide one or more default decumulation solutions.

This should fit hand-in-hand with retirement CDC, as TPT Retirement Solutions head of CDC, Paul Eagles, says that the pair "should be mutually reinforcing: The duty creates demand for robust lifetime income solutions, and retirement CDC offers an efficient means of meeting that demand collectively".

But work on the guided retirement duty is expected to move at pace, with master trusts set to comply from 2027 and group personal pensions (GPPs) from early 2028.

Eagles admits that "this doesn't provide a lot of time" to develop the regulatory framework and allow schemes to establish CDC arrangements.

This is already emerging as a shared concern across the industry, with growing frustration that guided retirement duties may be introduced before retirement CDC is available.

Indeed, Zedra head of proposition development, Mark Stopard, points out that many schemes may not be able to integrate CDC into their initial guided retirement offerings. "DC trustees need clarity on the framework and potential schemes to consider before any decisions in principle can be made," he says.

Aon partner and head of CDC, Chintan Gandhi, warns this risks retirees being defaulted into annuity purchase over CDC as their default option, which will not necessarily suit everyone's needs.

And these decisions will have a longer-term impact, as Stopard warns that revisiting the guided retirement options decision will be significant and likely require a period of member

experience, so a 'near miss' in the timescales is likely to mean a longer delay in adoption. "A three-month miss on the deadline could easily result in three years before retirement CDC is looked at again," he says, suggesting that ideally the timing of the legislation and associated regulations should be aligned.

Eagles agrees, stating that guidance and regulations will also need to align with the Financial Conduct Authority (FCA) on how contract-based schemes can signpost retirement CDC, to ensure GPPs don't miss out.

Too little too late?

Gandhi warns that this timing mismatch also risks prospective retirement CDC providers being unable to establish sufficient scale – which appears to undermine the policy intent.

Given this, he calls for a "pragmatic approach in the early years" from The Pensions Regulator (TPR), especially for schemes intending to use retirement-only CDC as their guided retirement default.

Gandhi says that providers also need clarity from TPR on how it will regulate the promotion and marketing activity of retirement CDC schemes, noting that TPR has yet to consult on its extended CDC Code, creating a 'chicken and egg' dilemma: Providers must show scale to gain authorisation, but they cannot build scale without clarity on what they are permitted to communicate to the trustees whose commitment they need.

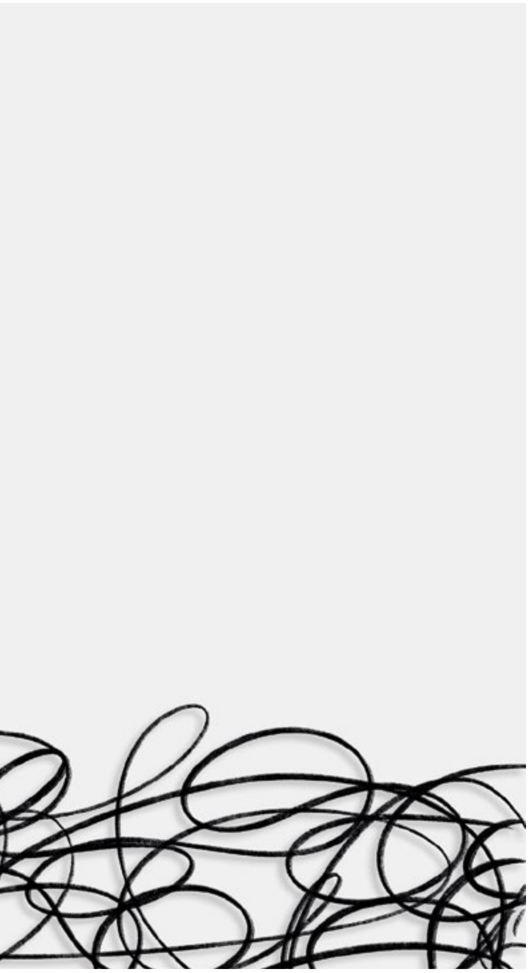
Gandhi's position is clear: The industry needs the "swift extension" of TPR's CDC guidance to cover both whole-life multi-employer CDC schemes as well as retirement CDC schemes.

"Prospective providers need visibility of the entire regulatory regime to judge whether they can introduce scalable CDC schemes to the masses – and in a way that is commercially viable," he says.

But in the meantime, trustees face a delicate balancing act. With much still unknown about the final retirement CDC framework, they must weigh innovative solutions against prudence.

Despite this sense of unknown, industry consensus is leaning toward retirement CDC as a future default. As Stopard says: "In a system where retirement incomes are generally modest, the potential lifetime income uplifts from CDC are too significant to ignore."

Industry research backs this up,



with a poll from Aon and Aegon, for instance, revealing that nearly one in three savers would prefer a CDC pension to traditional drawdown or annuity products. LCP research also found that CDC came out clearly on top for both member outcomes and ease of planning.

The attraction is clear: CDC promises a more efficient conversion of a DC pot into predictable income, while removing the risk of running out of money that can be seen with drawdown.

Eagles also points out that, although trustees can't select CDC yet, they can consider where it would sit in the 'guided retirement toolkit' and what member cohorts it might best serve.

In particular, LCP partner, Helen Draper, suggests that being part of a CDC scheme is likely to appeal most to savers with moderate incomes, who value financial certainty in retirement, want limited decision-making, or want to cover regular financial commitments.

Employers are also showing interest. Gandhi says: "Our recent experience from speaking to a number of employers and DC trustees is that there is strong demand for retirement CDC," especially as part of an income-for-life default.

But many are also keen for the new initiative to be given more time to bed in before officially branding it the new gold standard for decumulation defaults.

Aegon pensions director, Steven Cameron, for instance, says that while the concept is worth exploring and may appeal to some, it looks premature for the government to position it as the 'default' solution.

"There are many unanswered questions over both guided retirement solutions and retirement CDC," he says.

"Trustees and providers will want to see what forms of retirement CDC are created across the industry before considering if one of these might be appropriate within guided retirement. There's a strong case for pushing guided retirement solutions back until 2030."

Getting the messaging right

Beyond timing and legislative issues, many agree that communications will define whether retirement CDC succeeds. "A key element to resolve will be communications for schemes in complying with guided retirement rules," Eagles says. "We expect the government to look at this in more detail next year, as there will be some key principles members need to understand where CDC is provided as a default."

Stopard agrees, emphasising that "we need to communicate risks and benefits simply with new and prospective members without taking on additional regulatory risk".

Members will need to clearly understand what CDC is, and what it is not. But this, according to Draper, will also require "a significant acceleration in member education to explain CDC and its part in the future of pensions".

This could be made harder by the current proposals, as Gandhi says that the consultation suggests that retirement CDC schemes will operate in a non-retail market and hence not be allowed to market directly to individual members.

"This has the potential of creating an unlevel playing field, given FCA providers offering advised drawdown products are permitted to market to and engage directly with individual members," he warns. "We believe DWP and TPR should consider what additional powers and skills TPR needs to regulate retirement CDC in a retail market, given future retirees could be unable to access retirement CDC if the DC scheme they are in has chosen not to include this as an option."

Cautiously optimistic

Across the industry, optimism about retirement CDC is real. Providers see a chance to deliver the sustainable, pooled lifetime income that the DC system has lacked in comparison to DB.

But the warnings are equally clear: Action is needed sooner rather than later, or the opportunity could be lost.

Written by Sophie Smith

On your marks, get set… wait for it… go!

After a slow start and the odd splutter, the past couple of years have seen the DB superfund market get up and running, and its progress looks set to only get faster. Laura Blows finds out more

Five years. That's how long it took from the concept of DB superfunds – that is to consolidate DB schemes into 'superfunds' that take on the schemes' liabilities, backed by investor capital – to the first deal being announced in 2023.

However, this transaction occurred during an arguably 'false start' for the sector. One proposed superfund, called PensionSuperfund was 'mothballed' in 2023 after three unsuccessful attempts to complete The Pensions Regulator (TPR)'s assessment process. This left the only superfund to have completed the assessment, Clara-Pensions, finding that year 'tough', despite having implemented its first deal. This was largely due its 'bridge-to-buyout' model occurring at a time of improved DB funding levels following Truss' mini-Budget, thereby accelerating many schemes' own journey to buyout without needing the help of a superfund.

But between 2024-2025, Clara completed three more deals *[see boxout]* and, earlier this year, TPT Retirement Solutions announced its plans to launch a DB superfund implementing a run-on model, subject to passing TPR's assessment process, having already secured capital to fund the first £1 billion of transactions. "Once capital has been repaid, members would then get the majority of any scheme surplus returned to them", TPT Retirement Solutions chief commercial officer, Nicholas Clapp, explains.

Meanwhile, rumours surge that there are more entrants to the DB superfund landscape to come.

"It does feel like we might look back at 2025 as an inflexion point for superfund market," LCP head of DB pension consolidation, Laura Amin, says. "During 2025 we've seen a shift in the rhetoric from policymakers with Department for Work and Pensions (DWP) wanting to see the superfund market 'thrive', along with positive comments about the sector from TPR".

For Hymans Robertson head of alternative risk transfer, Richard Wellard, it was the inclusion of superfunds in the Pension Schemes Bill that brought about increased discussion and understanding of the sector for trustees and sponsors.

"The past year or so has seen a lot more innovation in the sector as well," he adds, "and that's not innovation for innovation's sake, but innovation for specific needs, such as Clara's fourth transaction that had a connected covenant feature".

These deals help provide reassurance, Law Debenture professional trustee, Lynne Rawcliffe, says, as "although the superfund might seem in some ways busier, many lay pension trustees don't like being the first mover".

Regulatory regime

According to Amin, trustee confidence in the superfund market may further increase with the Pension Schemes Bill providing a firm regulatory footing and replacing TPR's interim regime.

"Awaiting the new regulations and Code of Practice adds another level of uncertainty in terms of governance, 'fit for purpose', capital, triggers, proving their models and planning, as the superfunds might find it difficult to develop new solutions, which in turn could stunt growth in the superfund market," Gunnercooke partner, Parminder Latimer, warns.

The Pension Schemes Bill has proposed easements to the DB superfund gateway tests, which prevent DB schemes that could afford to buy out from entering a superfund. In July, LCP predicted that these easements, along with new entrants to the market, would 'expand' the universe of those eligible for a superfund transfer to potentially half of all DB schemes, totalling £600 billion of assets.

The removal or relaxation of the gateway tests would not remove the trustees' statutory and fiduciary duties when considering a superfund option, Latimer states. "However, trustees would have more flexibility to consider a superfund, along with other endgame alternatives," she explains.

For instance, "could members transfer to a superfund and secure a higher level of benefits than might be the case under insurance? TPT's announcement of the intention for a run-on model that shares surplus with members shifts the dial in terms of that conversation", Amin says.

However, ABI assistant director, head of long-term savings policy, Rob Yuille, says any calls to 'level the playing field' between insurers offering buyout and superfunds are "misplaced".

"Insurers and superfunds are distinct markets. Superfunds are an option for schemes that cannot afford buyout now or in the foreseeable future. Removing the gateway would weaken protection for scheme members as superfunds hold much less capital," he explains.

Trustee interest

Professional trustees are getting "more and more comfortable" with the notion that a superfund could be a good solution for their schemes, Rawcliffe says. "But lay trustees, unlike professional trustees, are typically less exposed to the variety of endgame options experienced by working on many different schemes, so trustee boards without a professional trustee may find it a bit more challenging to get comfortable with superfunds".

Wellard notes that "there still remains a broad misconception that superfunds are only options for schemes with concerns about their sponsor".

This seems to be changing though, as there is now "much greater awareness and understanding of the superfund model within the EBC and trustee community", Clara-Pensions chief transactions officer, Matt Wilmington, states.

Indeed, looking ahead, Wilmington notes that over 75 per cent of Clara's £12 billion pipeline "now relates to schemes with active and financially strong sponsors seeking a settlement solution".

Only having one TPR-approved superfund so far means that "there is obviously going to be gaps in the market", Clapp says.

TPT already being an established pension provider and joining the superfund market following the success of the first UK superfund, Clara "may be less hard for trustees to get comfortable with than maybe for the first schemes with Clara, which was more untested," Rawcliffe states.

"I think we'll be in a very different place once we've had a couple of transactions under a run-on superfund model, and with other entrants that we know are waiting in the wings. It becomes more of an established market, not just having one player, and provides more options for trustees and for sponsors who are considering risk transfer as an endgame," Amin says.

Changes ahead

According to Clapp, TPT hopes to have completed the regulatory assessment submission in Q1 next year, to then be in a position to transact by Q3.

Also potentially entering the market over the next year is a public sector DB consolidator, operated by the Pension Protection Fund, to provide "an alternative endgame solution for DB schemes unattractive to commercial consolidation providers".

According to the DWP, the extent to which existing consolidation and buyout providers serve the whole market is a matter of some contention, particularly regarding small-sized schemes.

To address that issue, Wilmington states that Clara is currently working with a number of potential clients below the £50 million mark to establish viable solutions for smaller schemes, such as through co-mingling and streamlining governance processes.

Over the coming years, "we expect to see further innovation in the pension risk transfer market, with new variations of superfunds and new models for insurers operating in a highly competitive market", Yuille says.

As more players come into the market, "there may be transfers between superfunds, i.e. between a 'run-on' model to a 'bridge to buyout' model, and these will require some careful framing in terms of which gateway tests apply, member protections and how capital buffers move with liabilities", Latimer adds.

Another challenge is that an insurer buyout solution is still considered the 'gold standard' in endgame de-risking for DB schemes. However, "over time, we expect superfunds to align more closely with the insurance market as a mainstream endgame option for DB schemes", Wilmington says.

"While the market is likely to remain smaller than insurance, there is clear potential for meaningful scale – we estimate in the region of £10–20 billion per annum based on the current funding positions of many schemes," he adds.

With the upcoming changes, the superfund market "is gaining momentum", Amin says, "and will look very different in five years' time".

However it may evolve, superfunds seem poised to take their place amongst insurers and run-on in the great DB

Written by Laura Blows

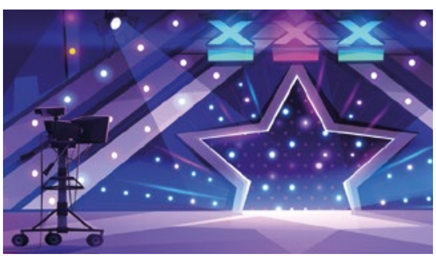
Superfund deals announced so far

- *November 2023* – Sears Retail Pension Scheme transferred the pension benefits of the scheme's 9,600 members into superfund Clara-Pensions.
- *March 2024* – Debenhams Retirement Scheme, which had been through the Pension Protection Fund (PPF) assessment, agreed a £600 million bulk transfer to Clara. The deal restored benefits for all 10,400 members of the scheme, with £4 million in back-payments to be paid to members who received reduced pensions during the PPF assessment period.
- *December 2024* – The trustee of the Wates Pension Fund, together with Wates Group, transferred members' DB pensions to Clara, marking the first superfund transaction with a scheme with an active sponsor.
- *June 2025* – The Church Mission Society (CMS) Pension Scheme completed a deal with Clara, marking the first superfund transaction using its 'connected covenant' structure, as well as the first deal involving a not-for-profit sponsor.

Grooves, goals and gazebos

WTW head of retirement GB, Rash Bhabra, opens up to *Pensions Age* about his career in pensions, hidden dancing 'talent', knack for taking on new challenges and unwavering admiration for football legend Lionel Messi

What's your employment history (including jobs outside of pensions)?
My first job offer was for a role as a trainee actuary at a small pensions consultancy. At least, I thought it was. But having received a verbal offer, what should have been a routine conversation with the company's in-house psychologist turned out to be my downfall and the offer never materialised! Luckily, I then trained to become an actuary at Noble Lowndes before joining WTW in one of its previous guises. Over 25 years on, that continues to be a very happy alliance.



What's your favourite memory of working in the pensions sector?
Early during Covid, we ran a version of *Britain's Got Talent* across the whole of our 800 UK retirement team. Participation was wide and whole-hearted, the creativity incredible. Each team collaborated to enter a video submission. The live 'show' uplifted spirits and many, many wonderful memories were created.

If you did not work in pensions, what sector do you think you would be in instead?
Like so many people, I fell into pensions accidentally and just never thought twice about doing anything else. The creative part of me wants to tell stories, so if I was to pick an alternative it would be writing novels or directing films.

What was your dream job as a child?
Professional footballer. To be honest, it's only the past decade or so that I have given up on the idea of emulating my all-time hero, Lionel Messi.

What do you like to do in your spare time?
I tend to set my mind on something a few months away and channel my energy towards it. For example, I have in the past signed up for long-distance runs and cycle rides and then trained up for them; worked towards a stand-up comedy performance; and built a gazebo and decking in the garden.

Do you have any hidden skills or talents?
At the age of 11, my class spent weeks preparing for a dance routine to be performed at a parent's day. A few days before the big performance, my class teacher took me to one side and suggested that I take part in something else. I have tried my level best since then to keep my dancing skills hidden.

Is there a particular sport/team that you follow?
Not a team. But I have followed Lionel Messi for 15+ years. It's almost time to move on!

If you had to choose one favourite book, which would you recommend people read?
Only because it's a book that can inspire creative mathematicians, *Surely you're joking Mr Feynman!*

And what film/boxset should people see?
No one thing stands out for me. I only have bandwidth for the occasional film or a series with a limited number of episodes.

Is there any particular music/band that you enjoy?
Nusrat Fateh Ali Khan, a sufi Qawali singer. I expect most readers will not have heard of him.

Who would be your dream dinner party guests?
Very easy – closest family and friends. There's nothing like having fun with the people you get on with most.

Do you have a favourite quote or saying?
Nothing is impossible.

De-risking Guide 2025:

Choosing the right path

Featuring:

- The highlights, milestones and movements that defined the 2025 BPA space
- The growing complexity of pension scheme endgames
- How trustees can best prepare for the year ahead
- The growth of superfunds
- Company profiles

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BPAs under the spotlight

It has been another standout year for the bulk purchase annuity (BPA) market, with several new entrants, strong insurer appetite and a flow of schemes coming to market. Paige Perrin looks back at some of the highlights, milestones and movements that defined the 2025 BPA space

Overall state of the bulk purchase annuity (BPA) market this year

It has been another busy year in the BPA market, marked by strong activity levels, increased focus on member support, and continued financial resilience across insurers.

Market activity has continued to grow this year, with transaction volumes on track to exceed £40 billion for the third consecutive year and around 350 BPA deals expected to transact this year. This increase was driven by a record number of buy-ins and buyouts in the first half of the year (155+).

In June, Barnett Waddingham's defined benefit (DB) End Gauge Index showed that the average time to buyout for FTSE 350 DB schemes reached a record all-time low of 3.6 years. It credited this to improved funding positions.

Meanwhile, in July, Just Group predicted that momentum would accelerate further in the second half of 2025. Its predictions suggested that there would be strong demand across schemes of all sizes, with particular growth being seen in the amount of larger transactions.

Also, Aon research in July found the majority of bulk annuity insurers would quote to offer bridging pension options (BPO) at retirement for transactions of any size, with all willing to offer BPO at retirement on transactions over £750 million. There were also opportunities to retain pension increase exchange at retirement, although this was only true for a smaller pool of insurers, as five out of 10 insurers said they would offer this for transactions over £750 million.

In November, the Prudential Regulation Authority's 2025 life insurance stress test revealed the resilience of the BPA market, particularly that leading BPA insurers remain well-capitalised and able to withstand major shocks, despite significant simulated stresses.

In October, two Ford pension schemes, the Ford Hourly Paid Contributory Pension Fund and the Ford Salaried Contributory Pension Fund, completed buy-ins totalling £4.6bn with Legal & General (L&G). This transaction secured the benefits of more than 35,000 retirees. The buy-ins were completed as part of one combined transaction and represented the largest UK pension risk transfer announced in 2025 and L&G's second-largest buy-in by premium size to date. Ahead of the transaction, the trustees worked with Aon and Ford's in-house investment management team to align the schemes' investment strategies with insurer portfolios. The trustees were advised by Aon as lead transaction adviser and Mayer Brown as lead legal adviser. Additional legal advice was provided to the trustees by Hogan Lovells, while Aptia provided administration support. Slaughter and May provided legal advice to L&G.

In August, the Rolls-Royce UK Pension Fund completed a £4.3 billion buy-in with Pension Insurance Corporation (PIC), securing all of the fund's total remaining liabilities. The transaction covered 36,000 individuals, including 15,000 pensioners and 21,000 deferred members. LCP acted as lead transaction adviser to the trustees, while Mercer acted as scheme actuary and investment adviser. Legal advice was also provided to the fund by Linklaters. PIC, meanwhile, received legal advice from Addleshaw Goddard as their main adviser, with additional support from Herbert Smith Freehills Kramer on aspects of the transaction. PIC said that following the announcement of its acquisition by Athora, which is subject to regulatory approval, it expects to have a strong appetite to complete many more 'ground-breaking' transactions like this one in the future.

Small schemes

This year has seen increased activity for smaller-sized schemes.

In August, Aon noted that the BPA deals completed in H1 were dominated by smaller transactions (typically considered £100 million or below of liabilities).

This has prompted market changes, as Aon pointed out that whilst in the past a smaller transaction may have expected a small number of bidders, or even insurers to require exclusivity up front, there is a growing appetite across the market to participate in competitive auctions for smaller schemes.

According to Aon, this has been partly driven by new entrants, but is also a result of other insurers looking to claim market share where there are fewer £billion+ opportunities.

Despite this greater choice, Aon found that Aviva and Just have remained as the dominant players in this segment of the market, writing 37 and 57 transactions respectively in the sub-£100 million range during first half of 2025.

In addition to this, L&G reported it has insured more than £800 million of pension liabilities using L&G Flow, its tailored solution for smaller schemes. However, it is not only the insurers that have been tailoring solutions to smaller schemes, as consultancy Hymans Robertson launched an end-to-end service, TRUST, designed to address the needs of smaller schemes against a backdrop of surging demand in the sub-£150 million transfer market.

In August, the Sedgwick Section of the MMC UK Pension Fund completed a £1.9 billion buy-in with Standard Life and secured retirement benefits for around 6,500 members. The deal included novation of the section's three existing longevity swaps with Canada Life Re, Munich Re, and The Prudential Insurance Company of America from the Guernsey-based insurance captive vehicle, Mercer ICC Limited. Mercer, a business of Marsh McLennan, acted as lead broker on the transaction, although separate teams advised the trustee and Marsh McLennanan. This included risk transfer, actuarial, investment, insurer financial strength, and post-transaction management advice. Meanwhile, legal advice was provided to the trustee by Linklaters and to Marsh McLennan by Herbert Smith Freehills Kramer, while Eversheds Sutherland LLP advised Standard Life.

In September, the BP Pension Fund secured a £1.6 billion buy-in with Legal & General (L&G), marking the first de-risking transaction for the £18 billion fund. The deal required close collaboration between the two parties, including an agreement on terms to support the security of members' benefits. The trustee received advice from Aon, the lead transaction adviser, while Linklaters provided legal advice and Cardano provided insurer covenant advice. Mercer acted as scheme actuary, and Redington provided strategic investment advice to the trustee. Macfarlanes and DLA Piper provided legal advice to L&G. However, BP Pensioner Group expressed disappointment over the news, given that concerns around past pension increases are still ongoing. The dispute between BP Pensioner Group and the company centred around decisions made by BP and the Pension Fund Trustee in 2022 and 2023, which, according to the BP Pensioner Group, led to an 11 per cent fall in the value of the pension in real terms in two years.

Notable developments

Several firms announced their intention to enter the UK BPA market, including Brookfield Wealth Solutions doing so in March, which will operate under the Blumont Annuity UK brand, and Utmost Life and Pensions doing so in September. Several major acquisitions also reshaped the landscape. A couple of months after announcing its intention to enter the UK insurance market, Brookfield Wealth Solutions revealed in July that it would acquire Just Group, with plans for Just and Blumont to operate as a single consolidated insurance group under the Just brand. Also in July, Athora Holding Limited, the Pan-European savings and retirement services group, announced its acquisition of Pension Insurance Corporation (PIC) Group, the parent company of PIC. Meanwhile, Broadstone acquired ExactVAL in June to further strengthen its life insurance and BPA capabilities. Looking ahead, M&G announced in September its plans to launch a with-profits BPA offering early next year. In the same month, Phoenix Group confirmed it will rebrand to Standard Life in March 2026, returning to the name of the business it acquired in 2018.

Written by Paige Perrin

Trustees at a crossroads: Navigating the new endgame landscape

Rebecca Wood looks into the growing complexity of pension scheme endgames, discussing how trustees can meet regulatory expectations and create the best possible outcomes for members

For decades, the trustee's role was defined by a single, clear objective: secure members' benefits and steer the scheme toward buyout. But now, that clarity is gone. Today, The Pensions Regulator (TPR) has shifted its stance, with success no longer being measured solely by security, but by delivering the best possible outcomes for members. This evolution sounds empowering, but it introduces complexity that trustees will have to navigate alongside their advisers.

From certainty to choice

The endgame used to be a straight road; now it's a network of paths. Buyout remains an option, but it's joined by run-on strategies, consolidators, and superfunds. Each route carries different implications for risk, cost, and member experience. The amount of options and companies competing for business in each of these areas are only increasing too. Trustees must weigh up not just financial security, but also questions like: will members enjoy better returns? Will administration deliver a positive retirement experience?

For lay trustees, this is daunting. A scheme only reaches its endgame once and decisions must be made in real time, often under scrutiny, and with consequences that last decades. Those who only work on one scheme face the prospect of making these decisions without any kind of rehearsal.

Superfunds and the stakes ahead

The arrival of multiple superfunds illustrates the challenge. Clara's model offers a bridge to buyout, prioritising security. TPT's forthcoming solution promises a run-on approach, potentially enhancing returns but demanding confidence in governance and service quality. More entrants will follow, each with unique propositions.

"The endgame is no longer a destination; it's a journey"

Trustees must interrogate these models: scalability, capacity, long-term sustainability. As superfunds grow, regulation will need to evolve from initial checks to ongoing oversight. This is not a box-ticking exercise, it's about safeguarding member outcomes in a dynamic and changing market.

Why alignment matters

TPR's call for 'best outcomes' is not prescriptive. What's best for one scheme may differ for another. That flexibility is welcome, but it requires trustees to define success upfront. Is it absolute security? Higher returns? A seamless member experience? Without a shared vision, decision-making risks fragmentation and member outcomes could suffer.

This is where stakeholder engagement becomes critical. Sponsors, advisers and administrators all need to be part of the conversation. Agreeing a clear set of objectives early ensures every decision is anchored in what matters most: the members.

The case for expertise

The complexity of today's choices demands more than good intentions. Trustees need access to deep market knowledge, rigorous analysis, and practical experience. Professional trustees and specialist advisers bring that perspective to lay trustees. Importantly, their role is not to dominate decisions, but to guide them. They help frame the right questions, challenge assumptions, and ensure governance keeps pace with innovation.

Leading through change

The trustee role is evolving from passive stewardship to active strategy. It's about navigating uncertainty, balancing competing priorities, and making decisions that will define members' futures. That requires collaboration, clarity, and confidence.

The endgame is no longer a destination; it's a journey. Trustees who embrace this shift by aligning stakeholders, setting clear objectives, and leveraging expertise, will not only meet regulatory expectations but deliver outcomes that truly serve their members.

Written by Vidett client director, Rebecca Wood

In association with Vidett
trustee.governance.experts

Five questions every scheme should ask in 2026

Mitul Patel considers how trustees can best prepare for the year ahead

After two exceptional years, UK DB schemes are entering 2026 from a position of strength — but into a landscape of uneven rate cuts, sticky inflation pockets, heavy gilt issuance and ongoing geopolitical risk. The most resilient schemes will be those that ask themselves the right questions early. Here's our concise guide to five that will matter most in 2026:

1) Are our interest-rate and inflation hedges ready for a 'lower but lumpier' path?

Markets have shifted from how high to how uneven. Yields may drift lower in 2026, but swings will be driven by inflation data, growth concerns and gilt supply. This argues for solid hedge ratios with flexibility to adapt.

Today's yields still justify increasing hedges, ideally through frameworks enabling quick rebalancing. Under-hedged schemes may revisit inflation exposure as breakevens look cheaper than recent norms. Well-funded schemes should refine curve matching.

2026 actions: Refresh liability cashflows and key-rate exposures. Adopt a documented hedging policy with pre-agreed triggers.

2) Is our liquidity and collateral framework fit for Quantitative-Tightening (QT)-era gilt and repo markets?

With high gilt issuance and QT, collateral needs can spike precisely when return assets fall. Repo access and funding diversity matter.

QT can push up repo rates, raising leverage costs. Schemes reliant on repo should diversify funding sources, potentially leveraging the benefits of peer-to-peer repo. Collateral waterfalls and eligible-asset lists must handle sharp gilt moves. Avoid dependence on growth assets for collateral, and maintain cash-like sleeves and high-quality bonds. Review the trade-offs between cleared and bilateral derivatives.

2026 actions: Run liquidity fire-drills. Review repo counterparties. Stress-test collateral for higher repo rates, reduced liquidity and wider spreads.

3) How should we deploy surplus and capture credit opportunities as endgame decisions accelerate?

Stronger funding enables faster de-risking, buy-ins/buyouts, or run-on strategies aiming to harvest carry and potentially benefit from future buyout-cost reductions. Tight spreads may still offer opportunities during volatility, making surplus policy and agile governance essential.

Insurer selectivity means portfolio simplicity helps execution. For run-on schemes, volatility increasingly comes from fixed income, not equities. Surplus can be deployed into credit when matching is maintained. Governance designed for calmer markets may now be too slow.

2026 actions: Complete an endgame review. Define surplus uses. Set credit deployment triggers. Update delegated authorities for timely execution.

4) How do we embed sustainability into LDI without compromising precision or liquidity?

Trustees increasingly seek to include sustainability alignment in their

portfolios without compromising matching quality or increasing complexity. The UK's green gilt programme and rising sustainable corporate issuance offer additional instruments in the trustees' toolkit to pursue their sustainable objectives. We believe that, in general, sustainability metrics are improving and trustees can gain greater transparency into their portfolios' sustainability credentials. Disclosures must align with regulation.

2026 actions: Review sustainability objectives and factor integration. Consider green gilts or sustainability-aware credit. Consider adding clear climate-related metrics to reporting aligned with your sustainability aims and objectives.

5) What are the hidden costs of not reviewing our LDI manager in 2026?

In fast-moving markets, inertia can be costly: Leading to missed opportunities, outdated processes and uncompetitive fees. Daily transparency, strong analytics and responsive governance are now the baseline expectations.

2026 actions: Benchmark service standards and technology. Assess governance responsiveness. Take a deep dive on potential efficiency and fee gains.

Get the details right

A focused approach on hedging, liquidity, surplus, sustainability and manager effectiveness will help schemes preserve hard-won funding gains through 2026 and beyond.

Visit statestreet.com/im/ldi to explore our LDI insights.

Written by State Street Investment Management senior LDI strategist, Mitul Patel

In association with STATE STREET INVESTMENT MANAGEMENT

A new era for pension de-risking

Matt Wilmington explores the growth of superfunds and the role they have to play in the DB de-risking market

For many years, the UK pensions industry has searched for new, reliable ways to help schemes reduce risk while securing members' benefits. As schemes mature but with insurance not being accessible to all, trustees and sponsors have looked for additional, credible routes to long-term security.

Enter the superfund: A solution designed to bridge the gap between ongoing scheme management and full insurance buyout. Once viewed as an ambitious idea, superfunds have now become a mainstream part of the UK's de-risking toolkit, now proven through regulation, real transactions and demonstrable member benefits.

What are superfunds?

The idea of a superfund first emerged in 2018, when the Department for Work and Pensions (DWP) began exploring ways to consolidate DB schemes that lacked access to the insurance market. The aim was to create a safe, well-capitalised vehicle that could take on pension liabilities and manage them efficiently under the oversight of The Pensions Regulator (TPR).

In 2020, TPR introduced an interim regulatory framework, enabling superfunds to operate under rigorous supervision. Clara was established in 2017 and successfully completed TPR's assessment process in 2021, the first, and so far only, consolidator to reach this milestone.

For Clara, these early years have been about proving the concept through transparent capital structures and a member-first operating model, to match the high bar set by the insurance sector.

Five years on, the Pension Schemes Bill is now putting superfunds on a statutory footing; a signal of permanence. The market is entering a new phase, providing trustees and sponsors with the certainty they need to engage with confidence.

A core component of the UK's de-risking landscape

Superfunds are no longer a theoretical alternative but a vital component of the UK's de-risking landscape. We share the same objective as an insurance buyout: To remove sponsor risk and secure members' benefits in a well-capitalised, professionally managed vehicle. The route to get there is different – sitting between run-on and full insurance – but fundamentally complementary.

Where insurers naturally prioritise well-funded schemes, superfunds can support solutions for a broader range of circumstances: Those with weaker funding, schemes in PPF assessment, or those seeking faster wind-up. The result is more choice for trustees and a stronger, more resilient pensions system overall.

Proof in practice

Clara has now completed four transactions, each testing the model under different real-world conditions. Each transaction has featured a different scenario and together they demonstrate the flexibility and reliability of the model in practice. Each deal has strengthened the argument that superfunds provide a practical, secure route to de-risking.

In 2023 we agreed with trustees of the Sears Retail Pension Scheme to transfer members to Clara in the UK's first superfund transaction. Scheme members benefited from an additional £30 million of ring-fenced funding to support the scheme, demonstrably improving member security and providing increased certainty on their journey to an insured buyout in five to 10 years' time.

Six months later, 10,400 members of the Debenhams Scheme joined Clara from PPF assessment, with the restoration and back payments of 100 per cent of their promised pensions in retirement. Under the terms of the transaction, Clara provided an additional £34 million of dedicated funding to support members.

Last year, we completed our third and potentially most groundbreaking transaction. The Wates Group and the trustee of the Wates Pension Fund transferred all 1,500 members and the scheme's £210 million in assets into Clara's management in a landmark deal that was the first superfund transaction conducted with a scheme with an active sponsor, paving the way for many more companies to successfully transfer their pension liabilities while enhancing member security.

Members of the Church Mission Society Pension Scheme became the fourth section to join Clara earlier this year. This marked another milestone, as both the first transaction to make use of a 'connected covenant' structure and the first involving a not-for-profit employer, further demonstrating the broad appeal of consolidation.

The 'connected covenant' feature allows a continuing contingent guarantee from the original sponsor, alongside Clara's capital commitment. This provides an additional layer of long-term security for members, strengthening the financial safeguards in place as the scheme progresses towards an insured buyout – a model with the potential for up to £50 billion of schemes in the UK to increase their security.

Collectively, these transactions demonstrate how the superfund model works across a spectrum of scenarios; solvent or insolvent sponsors, large or mid-sized schemes, and always with member benefits at the heart.

Clara-Pensions at a glance
- 22,000 members
- £1.4 billion AUM and £172 million of regulatory capital over and above technical provisions
- 4 transactions safely onboarded
- Multi-billion pipeline across over 30 pension schemes

The growing market

The emergence of a superfund market is reshaping how the UK manages defined benefit liabilities. Alongside insurers, master trusts and capital-backed journey plans, superfunds are building capacity within the system to support the UK's long-term savings promise.

The pace of activity is accelerating and advisers are increasingly including superfunds in their de-risking discussions with trustees. Earlier this year Clara held the first ever Superfund Summit where more than 70 advisers and partners joined us to analyse the superfund story so far, and what comes next. How the sector is innovating – and how the market will grow and diversify.

With the news that TPT intend to launch a run-on superfund and others new participants also expected enter the market the future is looking good for the sector. The forthcoming statutory regime will certainly give trustees greater confidence. With a strong pipeline of potential transactions, we should expect to see larger, more complex and potentially multi-scheme transactions happening in a competitive superfund market.

This growth will also ease pressure on the insurance sector by broadening the range of risk-transfer options available, particularly for schemes that want to move quickly or for those where sponsor affordability remains a challenge. The ultimate beneficiary is the member, with more routes to long-term security and stronger institutions managing their benefits.

The next stage will be about scale and confidence. As more transactions complete the market will deepen, capital will diversify, and the UK will have a fully-fledged consolidation market capable of handling billions in liabilities.

The road ahead

With four transactions completed and a strong pipeline ahead, Clara continues to demonstrate what a safe, sustainable superfund market looks like in practice. The team is now engaging on opportunities that range from mid-sized schemes to multi-billion-pound liabilities, reflecting the widening scope of consolidation.

The journey from 2018's early consultation to the 2025 statutory regime shows how far the superfund concept has come. It took persistence, collaboration and rigorous regulatory design, but the outcome is a stronger, more flexible pensions system.

Superfunds are now a proven, mainstream de-risking option. For trustees and sponsors navigating the final stages of their schemes' lifecycles, they offer a practical and secure path to endgame.

And with Clara at the forefront – delivering transactions, building trust, and supporting members – the sector can look ahead with confidence. The UK's superfund story is no longer about what might happen; it's about what already is.

Written by Clara-Pensions chief transactions officer, Matt Wilmington

In association with Clara Pensions

Company Profiles

Vidett

Vidett was formed in 2023 to facilitate a true merger of equals: Punter Southall Governance Services Limited (PSGS) and 20-20 Trustees Limited (20-20). With a team of over 140, we're now the UK's largest professional trustee and pension governance firm by number of clients.

One of our greatest strengths is the people we employ. Our team of professional trustee and governance experts come from a range of backgrounds, in pensions, wider financial services and beyond.

This diversity and depth of experience is what places our team so well to support our clients by embracing market-leading technology and innovation to deliver a new kind of trusteeship and governance. This allows us to transform challenges into solutions and make the right things happen, providing solutions that are adaptable (yet repeatable) and not a product.

We believe advice is for advisers. We work as 'one team' with them – seeking independent advice to ensure we all deliver the best outcomes for clients. We have an open culture – so together we can succeed and get things done.

Whilst we're now one of the UK's largest professional trustee and governance firms, we ensure each and every one of our clients get the dedication and personal service they deserve.

Vidett
trustee.governance.experts

State Street Investment Management

At State Street Investment Management, we have been helping create better outcomes for institutions, financial intermediaries, and investors for nearly half a century. Starting with our early innovations in indexing and ETFs, our rigorous approach continues to be driven by market-tested expertise and a relentless commitment to those we serve. With over $5 trillion in assets managed, clients in over 60 countries, and a global network of strategic partners, we use our scale to deliver a comprehensive and cost-effective suite of investment solutions that help investors get wherever they want to go.

**This figure is presented as of September 30, 2025 and includes ETF AUM of $1,848.02 billion USD of which approximately$144.95 billion USD in gold assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Investment Management are affiliated. Please note all AUM is unaudited.*

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Company Profiles

Clara-Pensions

Clara-Pensions is the UK's first and, so far, only operational defined benefit (DB) superfund, providing a safer home for schemes on their journey to insured buyout.

Founded in 2017, Clara was created to give trustees and sponsors a new, regulated option beyond the traditional binary choice of buyout or ongoing run-off. Completing the required assessment process from The Pensions Regular in 2021 was a major milestone – demonstrating excellence across people, governance, systems and processes, and financial sustainability.

Since completing the UK's first superfund transaction in November 2023, Clara has built a track record of delivery across four landmark deals. Around 22,000 members and more than £1.4 billion of assets have now transferred into the Clara Pension Trust. These include the first-ever UK superfund deal (Sears), the first scheme to exit PPF assessment with full benefits restored (Debenhams), the first solvent sponsor transaction (Wates), and the first connected covenant transaction with a not-for-profit employer (Church Mission Society).

Each scheme benefits from Clara's 'bridge to buyout' model, combining capital injections, strong governance, robust risk management, and efficiencies of scale to enhance member security. Clara is committed to deliver each of its sections safely to the insurance market – only then will it be able to realise a return on the capital it has provided. In the meantime, Clara's 'Member First' philosophy means members who have transferred will benefit from the high service standards we have established and continue to maintain.

Pensions Age

Pensions Age is the leading title targeting those managing UK pension funds and their consultants. Published monthly in print since 1996, and daily online, we invest heavily in our circulation and content to ensure we are the clear market leading title. Our in-house editorial team of Francesca Fabrizi (Editor in Chief), Laura Blows (Editor), Natalie Tuck (Associate Editor), Sophie Smith (Deputy Editor) and reporters Paige Perrin and Callum Conway, ensure we cover the latest news and topical industry issues to help our readers make the best-informed decisions.

www.pensionsage.com is the leading website for pension funds and we look to cover the breaking stories as they happen. With over 24,000 subscribers to our email newsletter service, we offer our readers an unrivalled service. At the core of this is high-quality, news-breaking journalism, combined with in-depth knowledge of the target market and heavy research into data.

Pensions Age also runs highly successful conferences, along with the Pensions Age Awards.

We also publish *European Pensions*, which targets pensions funds across Europe, as well as running the European Pensions Awards and Irish Pensions Awards.

Chris Curry

The final countdown?

With just under a year to go until the final pensions dashboards connection deadline, Sophie Smith sits down with Pensions Dashboards Programme (PDP) principal, Chris Curry, to discuss the latest progress, and the work still to be done

We are just under a year away from the final pensions dashboards connection deadline. Can you tell us where the industry currently stands in terms of providers connected and your view on whether we are on track to meet that final deadline?

I am very pleased with the progress we're making and as a programme we are very confident that we are going to meet that deadline. As of the end of October, we had over 60 million pension scheme membership records connected. There's around 80 million in total, meaning we're around three quarters of the way there.

Of the original 19 voluntary participants, 15 have now completed their connection journey and are actually connecting schemes. The others are very, very close to completing their journey. As soon as those are all finished, there should be plenty of capacity. So, from our perspective, everything seems to be on track.

And are there any key risks that could still jeopardise hitting the final 2026 deadline?

We're still testing the infrastructure, but we're not finding anything that is causing us concerns or at risk of stopping providers from meeting their deadlines.

But there is still a lot of work that needs to be done in the industry. Whilst we've already got three quarters of records connected, that's been driven by larger schemes, which have the resources, are more aware of their responsibilities, and have been working hard to get connected in good time.

We now have a much larger number of schemes to connect, but they are relatively small.

They may be coming to this relatively late, having waited to see what happens with the bigger schemes, so it's now all about making sure those smaller schemes are getting on track.

There is a temptation to leave it later, but one thing we have found is that you need to allow enough time for all this work.

Having said that, we're also learning all the time from the connections that have happened already, so hopefully the process for those smaller schemes next year will be more streamlined and slightly smoother.

The MoneyHelper Pensions Dashboards is now also undertaking low-volume user testing, with many of the team at Maps recently getting first-hand experience with dashboards for the first time. Can you share any early insights from the testing, or your own experience?

I actually got to do my first test while I was on holiday, which really showed that you can use it anywhere! It was a really powerful experience.

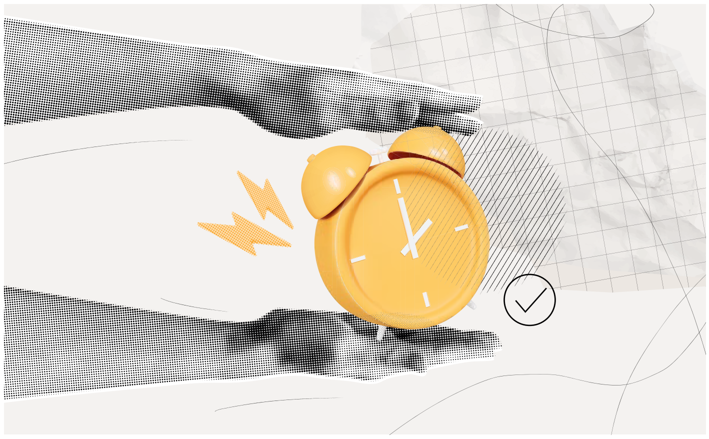
And the wider responses so far suggest that a lot of people are having an incredibly positive experience.

Up until now it has been about making sure the data is being delivered properly, so it's been quite technical, but we are now at the point where we can consider how people are finding the experience, how it's making them feel, and what they want to do next.

It's a really exciting time and it's helping us do a lot of the testing of the system and the technology. We are still analysing the results from the first 'real people,' but it's already helped in several ways.

We're learning about the way we set up the connection on the PDP side; the MoneyHelper Pensions Dashboard team is learning things as they go through, and the industry is learning things too.

We will be publishing some more findings in the relatively near future though, as we know it's important that we can keep industry and everyone else up to date with what we're finding as well, because it's all going to help us in that journey towards making the MoneyHelper Pensions dashboard live as well.



What level of member feedback do you anticipate before full public availability, and how will you ensure the dashboard delivers a meaningful service for savers rather than just 'being available'?

It's a really important question, because the only way that dashboards will be successful is if every part of that system is providing the data but also providing the services beyond dashboards. So, it's important that we get all of that right.

Low volume testing will continue for the rest of this year, and next year we'll get into higher volumes, as the plan is for tens of thousands of people to have been through the dashboard before it is even made available.

That will all be used and analysed to improve both the MoneyHelper Pensions dashboard, but also to help industry get ready.

In particular, we want to know how people are going to respond – what questions they're going to have once they've looked at a dashboard and where they're likely to go to get answers to that question.

Providers are expecting there to be an increase in the numbers of requests for information they get, which is a really positive thing, but what they want to know is what they are likely to want to know about, so they can get their own systems prepared.

We want to see a lot of that in place before the MoneyHelper Dashboard goes live, because we want to make sure that as soon as people are using the dashboard, they also have the opportunity to then follow up and do what it is they feel they need to do once they've had that experience.

It wouldn't be very successful if people looked at a dashboard and then couldn't go anywhere else to find more information – so it is important we work collaboratively with the industry to make sure they're ready.

Not everybody is suddenly going to be switched on, but it will be a step change, so we want to make sure that every aspect is ready before we start the launch.

There's been less public discussion recently about private-sector dashboards. Can you tell us a bit about how this work has been progressing behind the scenes?

There absolutely is work going on. We have a whole work stream having productive and constructive talks. We spoke to over 30 organisations, and we are now working on what the process might look like.

We are hoping to come out and talk to people before the end of this year to build on what we have already learned.

But the MoneyHelper Pensions Dashboard is going to come first, and we need to know when that's going to happen before we can give more detail about when private-sector dashboards will become possible.

There had been some initial hope that 2026 connection deadline could prove somewhat of a launch date, with the then-Pensions Minister suggesting that an availability date could even be seen earlier than this. The conversation has since shifted, and October 2026 seems more firmly rooted as a final connection date. What timeline do you think savers should expect for a) the MoneyHelper Pensions Dashboard to be fully live, and b) for broader pensions dashboard offerings to be seen?

The end of October 2026 was always the connection deadline, and the launch date is separate.

One of the key criteria is that the dashboard has to have good coverage – if people don't have that, then they get disappointed. We need to learn through consumer testing, synthesise the information, and implement changes. The Secretary of State will give six months' notice, but we're not hitching it to a specific date at this point.

Ultimately the right launch moment will be when there is good coverage, a good consumer experience, the right data, and when technically it's all safe and secure.

Finally, what is your message to trustees/administrators who may feel they are 'late starters', and what should they now prioritise in terms of dashboards prep?

If there are late starters out there, get started. There is help out there – look at the websites of both regulators, PDP, the Pensions Administration Standards Association.

For the vast majority, the first step is going to be through a third party. Speak to them as soon as possible; they'll be a really good source of information.

Make sure your data is dashboard-ready and have a plan for keeping it at that standard. It's not just a one-off exercise.

Written by Sophie Smith

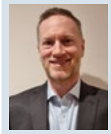
In association with nuveen A TIAA Company

Fixed income roundtable

PANEL

Martin Collins, Client Director, Vidett
Martin became a professional trustee in 2020. He began his pensions career in 1989 with a trainee actuary job at Mercer, and was later a scheme actuary for Pointon York, Aon and WTW. Martin then completed a four-year spell in investment banking solutions at Santander, before joining Lloyds Banking Group in 2010 as it stood close to collapse after the financial crisis. As a treasury and investment director, he secured the pensions of 300,000 members with a £14bn collateral pool and then saved the bank £20bn in capital through successful pension investment and funding strategies.

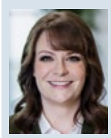
Lee Dodds, Investment Partner, LCP
Lee is a partner at LCP, with 20+ years of experience as an investment consultant. He helps clients achieve better investment results, with better managed risks, by focusing on the key, long-term investment issues that make a difference. He then gives clear, practical advice on how to tackle them. While Lee has a particular focus on setting and implementing investment strategy, he also advises on a wide range of investment issues including investment manager selection, asset transfers, and liquidity management. He is also a member of LCP's pensions risk transfer team.



Tom Hawthorn, Senior Investment Consultant & Head of Manager Research, Cartwright Pension Trusts
Tom is a senior investment consultant and head of manager research at Cartwright Pension Trusts. He has been advising trustees on investment strategy, portfolio structuring and manager selection for more than 20 years, and has a track record of building and developing excellent working relationships that deliver exceptional results. Having built absolute return bond, multi-asset credit and diversified growth manager universes, Tom also has extensive manager research experience and knowledge.

Kate Hollis, Senior Director, Credit Manager Research Team, WTW
Kate joined Willis Towers Watson in September 2014 as a manager researcher on the fixed income team. She leads on traditional and smart beta credit strategies. Kate previously spent 10 years at S&P Capital IQ, most recently as global head, fixed income/alternatives fund research. Before that, she spent five years working for funds of hedge funds and 15 years in fixed income sales and trading in London and New York, working for Deutsche Bank, Daiwa Securities, Scotia McLeod and Schroders.

Laura Parrott, Senior Managing Director, Head of Private Fixed Income, Nuveen
Laura is responsible for the growth and commercialisation of the private fixed income platform at Nuveen, which has over $70 billion in AUM, as at 30 September 2025, and includes corporate credit, infrastructure debt, credit tenant loans and private ABS. She was responsible for acquiring and integrating Nuveen Green Capital, a leading provider of C-PACE financing in the U.S., as well as energy infrastructure credit, launched to further assist companies' efforts to reduce carbon emissions.



Emma Pittaway, Professional Trustee, Law Debenture
Emma is a professional trustee at Law Debenture, having joined in 2025. A qualified actuary with 15+ years of experience, she previously advised pension schemes as an investment consultant before taking on practical implementation roles as head of client delivery at Cardano and head of fiduciary/OCIO research at PwC. Emma works with a diverse portfolio of schemes, from those progressing wind-up and short term buy-ins to those pursing run-on strategies with surplus sharing.

Dan Redwood, Senior Investment Consultant and Head of Investment Strategy, Quantum Advisory
Dan is a senior investment consultant and actuary with 15 years of experience across pensions and investments. Prior to joining Quantum Advisory, he worked for the Pensions Policy Institute and Mercer, gaining exposure to a wide range of asset classes and pension schemes, ranging in size from single figure millions to multi-billion pounds. Dan is the head of investment strategy and is responsible for the investment team's modelling and quantitative analytics capability.

Sam Seadon, Head of Investment Strategy, PwC
Sam is head of investment strategy for the PwC Pensions Network. He works with corporate sponsors and pension scheme trustees on pensions strategy and investment implementation. He has been in the UK pensions industry for over twenty years as an adviser to trustees and sponsors, around eight of these at PwC. Sam has a particular focus on DB investment strategy and liability driven investment. He has long been an advocate for less cost, unnecessary complexity and risk in pension portfolios, and in finding common ground between trustees and sponsoring employers.

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

Fixed income roundtable

Moderator

Sophie Ballard, Managing Director, Head of Pensions, UK, Nuveen
Sophie is responsible for UK clients at Nuveen and leads the growth of the UK institutional business across multiple distribution channels including local government pensions schemes, outsourced chief investment officers, DB and DC pension schemes. She has over 15 years' experience in institutional sales, relationship management and strategic account oversight, working with investors across the pension and financial institution client segments. Before joining Nuveen, Sophie held client roles at State Street Global Advisors.

Private credit: Opening up new opportunities

Our panel of experts discusses the role of private credit in today's pensions landscape and explores emerging opportunities in alternative credit to meet market demands

Chair *[Sophie Ballard]:* Nuveen manages $1.4 trillion, as at 30 September 2025, globally across multiple asset classes, but today we are here to talk about private credit, as well as the evolution of alternative credit and the role it can play in pension funds. There's a lot of experience around the table from across pensions, from defined benefit (DB) and defined contribution (DC) schemes, as well as the Local Government Pension Scheme (LGPS). It will be interesting to hear how those different sectors can utilise credit to get the best outcomes for their members.

What are your feelings about the use of fixed income in UK pensions today?

Kate Hollis: UK pension schemes can be divided broadly into four types, which all have their own needs and biases. There are the DB schemes that are still open, of which there aren't many – and a lot of those are in the public sector. There are the DB schemes that are closed and are going to be buying out in the next few years; many of the smaller schemes fall into that camp, but some of the larger schemes do too. Then there are the closed DB schemes that are going to be running on for a while. And then there's DC.

In my experience, DC schemes don't use fixed income very much at all at the moment. They have started looking at it for stability, now that yields are not as skinny as they were, but they're basically equity/growth investors.

DB schemes that are closed but buying out, I find, are focused on how they can immunise their portfolios. They've got to track their liabilities, but equally they've got to track the buyout pricing of those liabilities. That means they will have credit, but it affects how they use it. The more return-seeking aspects of credit are going to be more difficult to use here particularly since, again in my experience, insurance companies can be reluctant to take assets in specie, even investment-grade (IG) liquid corporate credit.

For closed DB schemes that are still running on, where they are looking to maintain some growth, it's a question of how they choose to build that growth portfolio. There, return-seeking credit is an option, but it has to compete with equities, infrastructure and real assets. Also, while the scheme might have agreed with the sponsor that it is going to run on, a new CFO or a change in the sponsor's attitude might mean the whole thing is re-jigged again, so they can't be too inflexible with their investments.

Chair: What is the LGPS perspective?

Phil Triggs: The LGPS remains open and there are no plans in the pipeline to make it a closed fund. It's the only one in the public sector that's funded, and it has over £400 billion of assets. We've moved from a situation of deficit funding to, in more recent years, healthy surpluses; and now there is significant pressure on us to do something about those surpluses – a nice problem to have.

In terms of the role of fixed income,

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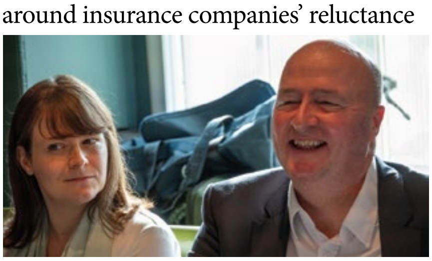
Fixed income roundtable

it can be used for risk reduction in the portfolio – it's a diversifier. Traditionally, we've been heavy UK and global equities, which were the main contributors to the outperformance we needed in the past. It's only in recent years that this emphasis has worn away and there's a focus on alternatives, including private markets. There is less emphasis now on global equities, given there is no longer the need to recover a deficit funding position.

The exception to that rule is the Kensington & Chelsea (K&C) fund, which has always been punchy and the best-funded scheme in the LGPS – it has taken all its outperformance from heavy exposure to global equities since the crash in 2009. It has only recently diversified into UK commercial property, which is a proxy to generate an income stream which is inflation-protected. But K&C has not been a fan of fixed income given the yields have been so low since 2008. Recently, it put 5 per cent in index-linked gilts, planning to hold them to maturity.

In the other three funds I work with, we have exposure to multi-asset credit portfolios. We did offer the Westminster Fund an opportunity to de-risk and put significant assets into fixed income about three/four years ago when yields had just risen, when it was considered good value. But the Westminster Committee was cold on the idea, so we switched to infrastructure income instead – again, inflation-protected assets with an income stream.

Chair: Picking up on the point made around insurance companies' reluctance



to take assets on in specie, are other panellists seeing something similar?

Lee Dodds: It's quite nuanced. For the biggest deals, you can still generally pay investment grade credit in-specie to meet the premium. The treatment of any alternative credit is then part of the commercial negotiation with the insurer – if it's of interest to the insurer, there's naturally a discount or haircut involved, and investors will weigh that up, versus what they might be able to achieve on the secondary market.

The challenge, though, has been that since the middle of last year, insurers and DB schemes have been looking closely at the very tight spreads on liquid investment grade credit (not the yield; it's the spread over gilts that they're more interested in).

We've seen a dislocation between insurer pricing, relative to gilts, and the investment grade credit spread – they used to move together quite strongly, but it is dislocated now. Therefore, investment grade credit has become a poorer match for insurer pricing.

It was never perfect, but it was a good proxy. Now we are saying to clients, 'should we step back from credit and, if so, step back to what?' If you're looking at a transaction in anything like the near term, then it has to stay liquid. Therefore, you're probably back to gilts. But if you've still got work to do on the funding level, then gilts are not going to help with that.

For regular-sized or small deals, when we come to working with insurers on transactions in the exclusive phase, they're more often happy to not involve credit in the pricing at that point (i.e. the price-lock). So, you're often in a position where you're selling credit into the open market to pay the premium.

Trends in the US

Chair: Laura *[Parrott]*, could you offer some high-level macro views around where you're seeing spreads between public and private fixed income, and offer some insight into the conversations you're having with insurers in the US?

Laura Parrott: I began my career at the Teachers Insurance and Annuity Association of America (TIAA), which owns Nuveen, investing for the general account with a focus on private markets. My team currently manages approximately £50 billion in assets, primarily investment-grade corporate private placements, private asset-backed finance (excluding 144A securities), credit tenant loans (CTLs), and infrastructure credit in sectors like ports, airports, and contracted energy.

Our insurance clients face historically tight spreads that compress further each year, making any relative value pick-up attractive. Many of these clients prioritise gross earned yield and fixed-rate opportunities.

In today's benign environment of higher rates but tight spreads, everyone seeks relative value, but credit dislocations are inevitable. The key question becomes: How will your portfolio perform? Beyond spread pick-up, private markets offer covenant protection – a critical advantage. This is why TIAA has overallocated to investment grade private credit. While they can absorb greater illiquidity, the primary motivation is covenant protection, which provides a voice during downturns. We witnessed this first hand in 2009-2011, when our private portfolio significantly outperformed public holdings.

Since commercialising beyond TIAA, we're seeing other institutions recognise these same benefits. Clients want to diversify from traditional public corporate debt and seek stability through financial covenant protection. We're experiencing strong investor demand, including from US pensions, looking to diversify beyond public markets. Even modest illiquidity allocation can provide valuable ballast during credit events.

Dodds: There's a lot of talk about dry powder and cash waiting to be deployed into alternative credit, and also money being slow to come out of the maturing vintages. In UK DB pension schemes, a lot of them are still over-allocated in percentage terms because of the sharp drop in liability-driven investment (LDI) assets in 2022. So, if you've got an investor who's interested in staying in alternative credit, sometimes the challenge is the money is not coming out of the existing older vintages they hold as expected, and then there seems to be a large amount of international money trying to get into the best newer vintages. Clearly these are technical factors rather than pure investment factors, but they do weigh on investors' minds.

Parrott: The investment grade private credit market is predominantly a new issuance market so our clients would, through a separately managed account, for example, say 'here's $1 billion for the year' and then invest throughout the year generally as a co-investment alongside our parent TIAA. That's how we've been able to put money to work for our clients.

There is a lot of dry powder in the traditional private credit market and a lack of investment activity/M&A – we're not experiencing that as much in the IG space. That being said, it's a small market – approximately $100-$150 billion in annual issuance. So, it's critical to work with managers that have access to deal flow because, similar to private credit, deal selection is critical. It's important to find a manager that has that strong pipeline of investment opportunities.

For us, the stability of the general account of TIAA, that annual allocation that we have – this year, they've asked us to invest $8-$10 billion in the private IG market for them – gives us a big cheque book to be able to go out and, to the benefit then of our other clients, to co-invest alongside. When you can take down entire transactions, $300-$400 million-type transactions, you have access to good deal flow. So, we haven't seen those dynamics.

What I am more concerned about is, as the market becomes more crowded with new investors, is there going to be degradation of the financial covenants that are so important? I'm more concerned about that than spread, because spreads are going to bounce around. At the end of the day, if there's a downturn, who cares what the relative value was? Who cares if you got 30 versus 100 basis points (bps) of premium? It's about whether you will be able to get recovery.

Covenant degradation

Hollis: In relation to degradation of covenants, cov-lite is something we're definitely seeing coming into upper mid-market direct lending.

Also, on basis points, if you're going to have an illiquidity premium, because you're locking money up for eight years or so, we think a couple of hundred basis points is what you ought to be looking at. Illiquid IG corporate private placements in the UK are insanely expensive, just because they're one of the few things that insurance companies can buy that are Solvency II-friendly. So, if you're looking at private credit for return seeking – and we think it's a return-seeking asset class – what you should be looking at is stuff that insurance companies can't buy because that's where you get much better value.

Sam Seadon: Private DB schemes in the UK are also, to a certain extent, in limbo at the moment. Everyone's still a

bit scarred by 2022, but funding positions have improved a lot, and there's the whole question of insurers and buyout and so on – but that equates to about £50 billion a year, so around 5 per cent of the market. There are lots of other schemes that, looking at it from a corporate sponsor perspective, are trying to figure out what they want to do with their now very well-funded schemes. Plus, there's a government regime potentially emerging around surplus extraction.

So, we almost have to start with the question of: What are we trying to do? What return are we trying to target? And how long are we going to do that for? That probably brings back in some of the conversations around the longer-term illiquidity that we were having before 2022. At the moment, a lot of schemes perhaps want to run on, but with the ability to buyout soon if they decide to do that, and that does limit you.

Tom Hawthorn: That's an important point. Private DB schemes in the UK are at a fork in the road: Do they want to insure, or do they want to run on? But a lot of schemes want to keep the option of insuring open while running on. If you're in that place, private credit is an asset class you want to think carefully about, particularly if you're going to go into a closed-ended fund where you might have to wait seven/eight years to get the money back.

But if you want to run on and the sponsor's behind that, and that isn't going to change, it becomes much more interesting. But then it's also about

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scheme size – whether you can afford to allocate in a way that will give you value for money. You also need to think about the actuarial risk – so how tight you want to lock down the cashflows, how well-funded you are. Those kinds of considerations become important.

Seadon: And almost why fixed income is a bit more attractive. If you're in a world where you're trying to define risk and say, 'we can run this on safely, we've got enough money, here's our risk capital, therefore there's enough money that I, as a corporate sponsor, can take some money out', then fixed income works a little bit better in that kind of world because of the defined cashflows.

But you still need to be asking: What are we trying to do, and can we do it? What return are we trying to target? We want to extract surplus, but can we actually do that? At the moment, the government has said it can be done in excess of low dependency, but it's ultimately up to the trustees.

Addressing illiquidity

Chair: Can we talk more on liquidity?

Martin Collins: As a trustee, we have been nervous as a firm about liquidity for a long time, even before the gilts crisis. In the year leading up to the gilts crisis, gilt yields did rise from below 1 to 2.5. During that year, we were stopping investing in illiquids for smaller schemes because we were getting surprises – when gilt yields were coming up to 2, employers that had previously said they had no interest in buyout were now saying, 'here's a cheque!' So, you didn't know what was going to happen.

And then we've done lots of buy-ins and, yes, there are clever solutions for illiquids, but they all cost you money. So, thinking sensibly, can you really hold illiquids for any of your schemes?

Even with the long-term run-ons, it can be challenging.

I was on the Pension SuperFund board for a while, and in that regime there are three zones – a zone for when things are going well, so you distribute to members and sponsor; the neutral zone, where everything's fine, and we tick along; and a bad zone, where there is enough money to go to buyout, but something's going wrong with the sponsor, you go to the markets and you insure. It's that mentality about the long-term run-on. So then we're thinking, in what scenarios can you have illiquids? There are few schemes you'll be left with that can safely invest in them.

Emma Pittaway: Back to the earlier point around what we are trying to target, the complexity element is a key challenge that we're seeing. Pension schemes have long been investing in fixed income and IG, for example, and now there is discussion around adding in new things like trade finance and fund finance. While there are advantages to these investments, it does need to be balanced with the additional layers of complexity and understanding required, which may be barriers for some trustee boards. It relies a lot on advisors and due diligence.

Hawthorn: On the illiquidity point, one of the things that's happened post the gilts crisis is, because investors couldn't sell those illiquid assets but everything else generally fell in value, you had to go elsewhere to recapitalise LDI portfolios. So those illiquids are higher proportionally than maybe they were intended to be. So, they're overweight those illiquids, which is probably making trustees reticent to allocate back into illiquids, including on the credit side of the illiquid space.

Collins: It is a problem. I've sometimes said that private credit is the least bad illiquid, because at least it does run off eventually, but then those ones where it is at least running off, you're ending up with quite concentrated risk. You get a small number of names you're invested in, so that's uncomfortable for a different reason.

Hollis: That doesn't matter so much at a total portfolio level, but where it does matter, particularly with the closed-end funds, is when there's a position which hangs around long past the time the fund should have closed, and I would imagine every time the investment committee looks at it, it's asking, when is this going to run-off? When are we going to get our money back? We just want to get rid of this position.

Dodds: I have seen that – it becomes an outsized concern economically, but it's there and it just keeps popping up and everyone's ready to move on, but it's hard to do so.

Surplus distribution

Seadon: Could you envisage a situation where you have trustees and sponsors in a room making a deal on surplus?

Collins: Yes! I've got my first one of those discussions happening with a big overseas sponsor coming up and we're going to see if we can strike a deal. There are advantages to the employer of coming up with a long-term strategy in that you can get better accounting if you have a long-term plan for surplus distribution. So, it's something we're all learning how to do, but some of us are learning quite quickly because it's happening now.

Pittaway: We're seeing it on a lot of schemes as well. Several of the schemes we work with already have surplus sharing agreements in place with the sponsor, with different ways of doing it, relating both to the rules we have now and also planning for the future.

Private IG evolution

Chair: As a pension fund, if you were in a world where you were running on and were looking at private fixed income and IG private fixed income, do you think we're using it to its full potential? How has that world evolved over the years?

Parrott: In general, I would argue that the fairway has got wider in terms of the types of issuers that we're seeing. If you're thinking about going ultimately down the insurance path, there's only a few different levers within investment grade that would work but, in general for clients – and in the US, where we have a different regulatory regime – we're seeing a growth in asset-backed finance (ABF).

For example, if you've got access to long duration investments, but they are going to be lower yielding, you can add in some shorter-dated, shorter duration type private ABF, which has the potential for much higher spread pick-up. That's where it becomes interesting. You're talking about A-rated credit at plus 350bps types of opportunities. And you are building a more diversified portfolio within your investment grade credit portfolio.

In addition to ABF, we have access to infrastructure debt opportunities in investment grade to add in more diversification with the benefit of gaining access to good contracted cashflows and it provides an inflation hedge.

Chair: Have the consultants and client advisors in the room seen any new opportunities or strategies coming into the market? Nuveen is getting a lot of questions from UK clients around ABF, for example. Any other trends?

Dodds: We have seen a lot of interest in trade finance, working capital finance, capital call finance and significant risk transfer (SRT). We also see lots of interest in supporting the energy transition – so if you have a sponsor who's happy to commit to run-on seriously, rather than just run-on for now, that's an interesting less liquid area which often combines with other considerations such as ESG.

Overall, we see trustees getting bolder and braver; not necessarily because they want to, but because of the credit spread pressure on liquid investment grade credit. Even in areas like asset-backed securities (ABS), the best times to go into that asset class are definitely behind us, and a lot of clients have already allocated a lot of capital to it.

Collins: ABS was interesting for a while, because one of the problems with IG was around the spread compression, so it was no longer the asset choice for the lead in to buy-in. ABS was better in that it had better spreads and also, because you didn't have credit spread duration in there, it worked from a risk perspective.

Dodds: Yes, but the best times for ABS are a long way behind us. So, it's definitely a good time to be having those conversations about whether to hold existing investment grade and perhaps looking outside the trustees' natural comfort zone for credit assets.

Chair: Phil *[Triggs]*, from an LGPS perspective, are you seeing opportunities in certain spaces?

Triggs: We are making the opportunities happen. Being the LGPS, there's a focus on societal impact and local investment, which also seem to be key for the government, with a focus on UK growth. We have turned that into two opportunities – one at Kensington & Chelsea, and the other at Westminster. We are the only two funds in the LGPS looking at this.

There will be respective meetings over the coming weeks where this will be approved to create a quasi fixed income investment – we are purchasing property in the London area to use as temporary accommodation. The homelessness scenario in the government is severe. Authorities are overspending vast amounts on temporary accommodation. So, to try and alleviate that, we are using two different methods.

Kensington & Chelsea's pension fund will buy property, lease it to a special purpose vehicle (SPV) which in turn will lease it to the general fund of Kensington & Chelsea, and there'll be an inflation-protected rental income stream over the next 50 years.

Westminster is slightly different in as much as it will purchase existing property owned by Westminster City Council, bring it into the pension fund and the general fund will receive a capital receipt. So, for Westminster it's probably going to be £50 million; for Kensington & Chelsea, £100 million. But it has to be done before the end of March because, then we switch to pooling and the LGPS pools take over full investment responsibility.

Hawthorn: I'd like to hear more about credit tenant loans if we can?

Parrott: We're actually working with a UK client specifically for a portfolio of CTLs and it is matching adjustment (MA) eligible. It's a US product because of the tax laws but, essentially, corporations and other institutions don't want to own all of their real estate on

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balance sheet. A CTL finances real estate that is owned by an SPV where there is an ironclad lease on that facility, and we are financing one-on-one the lease payments. We're essentially monetising that lease payment, and our interest is the lease payment from a strong credit obligor who is the tenant of the facility. CTLs gets bond treatment in the US, and in the UK as well.

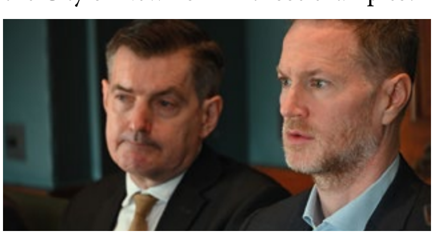
Nuveen is one of the larger investors in this area – we have a c$14 billion CTL portfolio. And it's an interesting way to access duration in the market. These are primarily A-rated-type credits because we're not going to take 20-to-30 year lease risk on lower risk tenants, and you are getting a nice complexity premium and the liquidity premium in a CTL.

Hawthorn: What kind of length?

Parrott: Approximately 17-20 years average life, although some CTLs go as long as 30-40 years.

We've also done some interesting things in the space that are comparable to what Phil *[Triggs]* was referencing. With the City of New York, for example, we had a construct with a CTL where essentially the City of New York is obligated, but we're helping with transitional housing, and we look to the City as our guarantor. They're working with various non-profits, but the City is ultimately obligated to provide these transitional housing opportunities. We're trying to find good responsible investing type of things like these for our clients.

Hawthorn: When you think about credit risk, are you looking at FedEx, and the City of New York in those examples?



Parrott: Yes, exactly. With a strong lease in place, the risk is with the tenant not the underlying real estate.

Hawthorn: Are you writing covenants into those deals?

Parrott: There are some financial covenants, but it's really looking to that lease, of which there's no getting out of the lease payment. We actually have some 'dark buildings' in our portfolio, which I don't love, but given the lease requirements, they are money-good investments.

It's an interesting way to get diversity within the investment grade landscape that approximates an infrastructure/ commercial mortgage play, but with added duration.

Hawthorn: The issue for the UK pension schemes here is getting access. I'm not aware of a fund available to UK investors that would provide that kind of exposure. But for schemes looking at run-on, that would be very interesting.

I have heard some talk about convertibles and mezzanine debt, but a lot of people would think that is far too punchy for run-on, and I'd agree.

In terms of ABS, some investors are still looking there, particularly private, where for residential mortgage-backed securities (RMBS), the yields are probably still quite attractive. Floating is less attractive now that gilt yields are more like 4 per cent rather than 1 per cent, but depending on how well-funded the scheme is, that's still a pick-up. If that's enough, if that's all you need, you can get the quality of those kinds of bonds, if you think about historical default rates and you're holding at the senior end, it's not really a concern. I wouldn't be too worried about the credit risk there for the yield pick-up. That's a good trade-off.

Smaller schemes

Dan Redwood: With all this talk about new opportunities, I feel that the smaller end of the market is being left behind because, even if we do have some schemes that are looking to run on, there are too many governance constraints, and a lot of these options are off the table in terms of minimum investment sizes as well.

So, when it comes to alternative credit, we're very much focused on that high quality short end – like ABS still – which is an attractive asset class at that size particularly as liquidity is such a big focus for schemes at the moment. For a lot of these schemes, even if they're approaching buyout, they've still got leverage in their LDI portfolios and it's quite a nice stop on the collateral waterfall.

But in terms of the more exciting high yielding end, we're not seeing anything like that. And if you're going to get any access, it'll be through a multi-asset credit fund. But the focus is much more on, 'our funding position is very strong, we want to be diversifying but not necessarily increasing risk at this stage'.

Hawthorn: Yes, and for the smaller schemes, once you start talking about that high risk and you add in the points on capacity, complexity and illiquidity, then you start thinking, why not just go multi-asset or equity? If you think about all the other risk and then how much equity do I need, how much do I want, you come full circle on that argument, at the smaller end.

Also, for smaller schemes, typically insurance is the best route simply because the cost of running the scheme on proportionally to the assets can be high. In that case, unless the sponsor is determined to run it on, it often makes no sense.

Seadon: And for bigger schemes, it goes back to the point of, what are you actually trying to do, which, because they're so well-funded, it has to be something to do with what you're doing with surplus, and people are already thinking about that. But the topic of surplus extraction does need some clarity – it needs a regime to be defined either by the industry or by government.

Pittaway: The surplus investment point is an interesting one also because, for those schemes that are running on for now, the investment decisions associated with assets can become more nuanced. The core of the assets would of course be invested such to back the liabilities, with a safety buffer, and then for any meaningful surplus above that, there are other decisions to be made. We are seeing a lot of discussions vary amongst our schemes in terms of how engaged the sponsor is and how much they feel they own that portion and therefore how specific they are about how that money should be invested.

That's going to be an interesting governance dynamic for trustees to work out. Balancing the fiduciary duty under the governing rules whilst also paying due attention to the sponsors' views and wishes for what they may see as fully "their" assets.

Hawthorn: Also, as a trustee/consultant of smaller schemes, if the sponsor is dead against insurance for potentially balance sheet hit reasons – and that can be the case particularly with overseas sponsors – then you end up in a position where the assets are being eroded because of the ongoing costs of the scheme, so you're drifting; a surplus on an estimated solvency basis might be being eroded slowly over time but then, how do you invest? If the sponsor does not want to insure, that's an interesting question.

Risks and barriers

Chair: What conversations are you having around perceived risks of the private IG market? What about barriers to entry?

Parrott: Accessing the best dealflow is key to this market. The risk is that you are only accessing a market that is broadly syndicated – we have seen deals that are done MFL or MFN only, for example, and those are deals that we don't do on my team because we have a very strong mandate to have that covenant protection as a diversifier.

And we have the luxury of having a fairly broad pipeline, with proprietary deal flow. We only invest in about 13 per cent of the deals that we look at. We can find the deals that work best for our clients and meet their needs.

There is a perceived risk around lack of transparency. However, I would argue that because it's privately negotiated, we almost have more access and transparency. We don't get a phone call and then make the decision on the bid. We're talking weeks to months of due diligence. And often, particularly in the structured space and in private ABS, it could be a multi-month process where we're meeting with the principals of the issuer, we're meeting potentially the private equity sponsors that own the issuer, we are doing site visits if there is collateral involved. It is the same with traditional corporates – we're looking under the bonnet, because we're not going to trade out of this name. It's a relationship. So, I feel like we have even more transparency in the private market on our investments.

Hollis: When it comes to barriers to entry, one of the things we haven't spoken about is DC, where the default option ought to be a natural home for illiquids, if you can get over the operational platform/administrative valuation problems. My impression, given first the characteristics of the asset class and

secondly the tone of the conversation, is that infra or possibly real estate equity is the more likely stopping place first.

Collins: You're right, and the way the legislation there has been written has been focused on being able to price things daily, which private markets are terrible at. So, it was almost prohibited for DC. The government's woken up to the fact that, actually, it'd be good for the UK economy if there was private market investment. Trustees and DC providers won't invest UK only, so I'm not sure that's going to happen and there are political discussions there, but generally it's starting to happen now. But it's for younger members where, for example, you're investing for 20-30 years, you don't need liquidity.

The new thing that's coming next that might be interesting is decumulation vehicles – that's where private credit might work really well. But it's a new idea and a few people are starting to build decumulation DC, so for people to do drawdown rather than annuitise at retirement. That might be a new market, but it's developing.

Chair: At Nuveen, we have a very large DC business in the US, and it is growing in the UK, and that's definitely something we're looking at.

I split the DC market between the master trusts – which the government is trying to consolidate with its target of £25 billion AUM by 2030 – and the single trust corporates, of which a handful will continue to operate. In the growth phase,

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Fixed income roundtable

for example with long-term asset funds (LTAFs), it's very much about equity and trying to generate that CPI plus four. I do think private credit has a place there.

I spoke with a client recently who was less keen on the real estate equity markets right now and would prefer to go into, for example, commercial real estate debt.

But to the point around decumulation, in the legislation it said DC schemes or master trusts are now able and should be looking after their members in retirement as well. This opened up a whole new area for investment because previously it was a case of bringing them into the open market. So now these master trusts are looking at how they can build almost another glide path from the age of, say, 60 to 85 plus.

What does that look like? A semi-liquid private/public fixed income portfolio is where that could get interesting, throwing off that income for the members to live off. Does anyone else have views on the DC side?

Collins: For my own pension fund, I would put 15-20 per cent in private credit in retirement when I'm running off myself. But that wouldn't be right for everybody, so it's different when you are thinking about the members. There are some people who would be much better to annuitise. But, if it's well run, why not? Because it's going to boost returns.

Hawthorn: I agree that it's been a longstanding problem for the DC market to get investors into something less liquid, something away from the traditional, standard asset classes. We haven't solved the problem yet. But the discussion around decumulation is interesting – it would make a lot of sense to me, because otherwise a lot of people hit that point and they don't really know what to do, they're just left on their own.

Hollis: You've got two problems. First of all, someone's got to get the platforms on side. Secondly, you can build a lovely portfolio and say it has 20 per cent in private 'whatevers', and then equities drop 30 per cent and suddenly you're outside all your limits and alarm bells are ringing, similar to the point on DB after the gilts crisis that was made earlier.

Chair: Can we talk about the role of the regulators here?

Triggs: I was at a conference recently where The Pensions Regulator presented, and they were asked for their views on surplus extraction and the security for the beneficiaries. They seemed very laid back about any risks; they said it's up to the trustees. I was upset about that because, in my role as an LGPS practitioner, I'm totally biased towards the beneficiaries. That's all we care about. Pensions paid in full, on time, forever. And the regulator didn't seem to care.

Collins: The onus is on the trustees to think about the members but, for 20 years, the regulator has been pushing pension schemes towards the insurance market. Now, if you're cynical, the government could quite like the tax revenue from surplus extraction, so the regulator has probably had a strong steer from government to be less pushy.

But I don't believe for a minute that if, as a trustee, I said to the employer, 'do what you like', the regulator wouldn't catch up with me at some point. They're transferring the responsibility to trustees, and we are yet to see the detailed framework around that. But good trustees will think about that anyway.

The future of fixed income

Chair: How do we think the use of fixed income in the pensions space is going to evolve over the next five to 10 years?

Seadon: For private sector DB schemes, as we get further away from 2022 and the bottlenecks around illiquid assets and people reconfiguring strategies (which have completely changed of course because of what's happened in the markets, as schemes have become a lot better funded), it will become interesting. There will be more of a shakeout of what all this change means going forward. There will be more conversations on the potential to run schemes on for a long time – which is naturally going to happen anyway because the insurance buyout market is only so big.

In terms of the appetite for investing in more interesting or more complex assets, time will tell. Everybody is still very focused on liquidity and, being able to go up the illiquidity curve/the complexity curve will depend partly on where government wants us to go, but also, maybe industry is going to lead government on what that regime should look like. As has been mentioned, they have sort of left it to trustees to talk to sponsors about all this, so it's going to be interesting to see how those discussions continue to shake out as we get further from the year that changed everything.

Pittaway: I agree. Whilst not all schemes are going to be looking to buy out, a good chunk are, and even the ones that are running on will have an eye to what's happening on the insurance side. So, a key driver of how pension schemes use credit in general will be what insurers are investing in as well, and whether they start using more IG credit, and that's going to come back to spreads.

Hawthorn: I agree – small and medium-sized schemes that are not committed fully to run-on will stay broadly liquid and they will look to move to the insurance market in a lot of cases. I don't think that's going to change much in terms of the bonds they're holding.

At the longer end, if you've got enough assets to invest, why wouldn't you invest like an insurer? If you're committed to run-on, and you want to run on the scheme for a period of decades, then you're going to end up buying the same assets because, why would you do something different? That's why I was curious on the credit tenant loans, because then you're looking at longer-dated assets with a spread pick-up.

Hollis: The reason you might do something different, assuming you're far enough away from your planned buyout from an insurer, is that once insurance companies enter an asset class, they can push spreads down to a very low level, so you might decide to do something different, not necessarily riskier, but different, which is not Solvency II-friendly, and just do less of it.

Hawthorn: So, arguably you can be nimbler, even with a very large pension scheme outside of the insurance regime.

Hollis: A lot of our best opportunities for the past 10 years or so have come from strategies that insurance companies can't buy – that's where we find the value.

Hawthorn: Also, where you've got a fund manager who's involved in originating and creating the loans themselves, that gives you a potential pick-up on top of what you might get with a fund manager who has perhaps less reach, less experience, not as much of a presence in a particular market.

Collins: Could employers reintroduce DB benefits? That is an interesting consideration.

Why did so many employers, in the private sector, close their DB schemes? It is because when gilt yields went from 5 per cent to 1 per cent, that tripled the cost of pension provision. It would be logical now, and a lot cheaper now, to provide DB benefits, but no one talks about it! The risk management is better, too.

Also, increasingly, people are being employed by the state rather than the private sector, and there you get DB pensions. So, from the perspective of trying to hire when you're competing with the state – which is increasingly an issue as the state expands – could employers reintroduce DB benefits? It feels unlikely, but actually it's a lot cheaper than it would have been at any time in the past 10 years. So, it's not as crazy as it sounds, and that would change everything in terms of investment horizons and how people invest.

Chair: Laura *[Parrott]*, what excites you about the private IG market going forward?

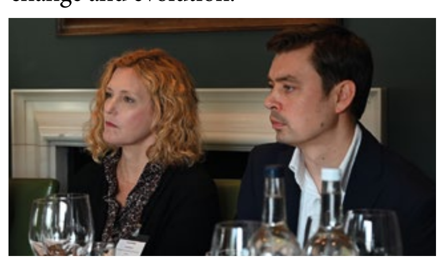
Parrott: It is exciting to see so much more interest in the market because that's going to allow for more growth. We've been able to do some interesting things within the investment grade world, and certainly through ABF, but CTLs as well, thinking about new ways to monetise anything – low-income tax credits in the US, for instance, we've been a big buyer of that. Another example is Commercial Property Assessed Clean Energy (C-PACE); we were the first institutional investor in C-PACE – we ended up buying the leading originating platform there.

C-PACE is a uniquely US product, but we are coming to the UK with something called Property Linked Finance, which is a similar type of construct.

C-PACE is a tool that allows building owners to access financing for energy efficiency upgrades that sit senior to a commercial mortgage and are paid alongside property taxes. So, they sort of serve as a tax assessment on the building and they stay with the building, not the building owner upon transfer. If you pool many of these super senior loans together you can structure a highly-rated ABS note. We did that in 2017 for the first time and have helped to be the balance sheet of the C-PACE market. We bought one of our portfolio C-PACE origination companies five years ago, which is now called Nuveen Green Capital, and they are coming to the UK, partnering with some insurance companies to help create a C-PACE-like market here in the UK. It's about helping private owners access attractive, cost-efficient capital to incentivise the energy-efficiency upgrade to the built environment.

It is an exciting new frontier that is a super senior credit instrument and that is a beautiful complement to a long duration portfolio.

Chair: I agree with everything that has been said on the evolution of alternative credit, both for run-on DB schemes and DC and decumulation. I am also excited about the tie between energy transition and energy efficiency and using credit in a space like that, such as with C-PACE. I believe there's more to come. Pensions have been around for a long time, and they'll continue to be. Sometimes we get caught up in the short-term, but when you think about how long even a lot of these DB schemes have to run on, there's going to be a lot of change and evolution.



Summary

• Like lifestyle strategies, target-date funds (TDFs) aim for asset allocations that are adapted to a member's life stage, beginning with growth and moving towards security as the retirement date nears.

• Unlike lifestyle, TDFs offer one single fund that provides a start-to-end evolution for the member, taking them through their working life and into retirement.

• TGFs have long been the default model in the US; the UK pensions universe, and in particular the historic requirement for annuities, meant that TDFs were unsuitable.

• Freedom of choice and auto-enrolment and a shift towards larger-scale schemes have meant that TDFs can find a useful place in the industry, and a growing number of providers offer them.

• TDFs provide a different means to an endgame they share with lifestyle strategies, and the choice between them comes down to operational preference. However, the number of TDFs could expand as the industry's needs evolve.

On target?

Sandra Haurant considers the growing role of target-date funds within the UK pensions landscape

Target-date funds (TDFs) have been the dominant choice for US pensions since the 1990s, but so far have had a significantly lower profile in the UK. Over the past decade, with the advent of freedom of choice and auto-enrolment, the appeal of these funds has grown. But what exactly are TDFs, and how are they used in the UK pensions industry?

Put simply, TDFs are funds that work towards a designated future retirement date. Legal and General (L&G) head of defined contribution (DC) and retail solutions strategy, Graham Moles, says: "Similar to lifestyle strategies, a TDF follows a glidepath – a gradual shift in asset allocation as members move from the growth phase to retirement."

They ultimately have the same goals as lifestyle strategies, then, but operationally TDFs are very different. Lifestyle strategies, says Moles, rely on switching members through different funds as the years progress, which can: "Create cliff-edge moves and heavier governance". TDFs, on the other hand, package the whole investment journey into a single fund "based on a member's expected retirement age, and automatically adjusts risk as the member ages, giving schemes a flexible glidepath and reducing operational complexity," says Moles.

"Another crucial difference is that TDFs can have different lifecycles and different allocations for members with different retirement ages," he adds. "Lifestyle approaches cannot do this; a member retiring today will have the same asset allocation that a member retiring in 20 years will have when they retire."

Given the similar outcomes, one could wonder why the US has seen such a big take up for TDF, while the UK has held back. One key reason, says WTW senior director, Robin Fillion, is that: "The UK had a very different starting position. Because if we think back to before freedom of choice, the vast majority of DC investment strategies worked towards an annuity outcome.” Today, though, things have changed, and, as AllianceBernstein portfolio manager responsible for multi-asset solutions in EMEA, David Hutchins, says: “In most cases, the choice of TDF and lifestyle is simply a preference, and the same asset allocation design can be implemented through either approach.”

Typical lifecycle

So, what makes some providers choose TDFs? “The key advantage of TDFs is their simplicity,” says Hargreaves Lansdown head of retirement analysis, Helen Morrissey. “Members are invested in a single fund – known as a ‘vintage’ – which rebalances to the target asset allocation throughout their working life. The fund is selected to align as closely as possible to the member retirement age, and from then on, it’s set for the long term.”

A typical TDF will progress through a lifecycle that transitions from seeking growth in the beginning to de-risking as retirement approaches. “Early on, the fund prioritises equities and other growth assets to maximise potential returns. For our funds, at 10 years before the target retirement date, it begins to de-risk, increasing exposure to bonds and other lower-volatility assets. Other providers will start de-risking at different periods prior to retirement,” says Moles. “TDFs are a to-and-through solution and so even after the target date, the fund continues to adjust to support retirement behaviours (for example, drawdown needs). The to-and-through approach means members stay in the same fund throughout their journey.”

And a key different between TDF and lifestyle is that the former can have different lifecycles and allocations, depending on the different retirement ages of members. “Lifestyle approaches cannot do this,” says Moles.

Long-term goals

Pensions savings are, by their nature, a long-term concern, and with that ‘to-and-through’ approach mentioned by Moles comes a level of tractability within TDFs. Nest chief investment officer, Liz Fernando, explains. “Our retirement date funds are designed for long-term investing; they give us the flexibility to hold assets that may be less liquid but offer strong diversification and return potential over time. This approach has enabled us to build significant allocations to private markets within our default strategy. This not only broadens the investment universe available to our members, but also supports our aim of delivering resilient, long-term outcomes.”

“Although lifestyle strategies are still widely used, TDFs are gaining popularity, particularly among master trusts”

Of course, private markets bring their own challenges, and illiquidity risks must be managed carefully. But Fernando argues: “With thoughtful oversight they become a powerful diversifier.”

In fact, the simplicity of the TDF makes this more straightforward, says TPT Retirement Solutions DC director, Philip Smith: “As the asset allocation gradually changes over time, the investment manager knows when they will need to reduce illiquid exposure as members approach retirement. This predictability makes it easier to schedule liquidity events and rebalance.”

What’s more, Smith says, the frequently significant scale of TDFs means managers can blend illiquid assets with liquid ones to maintain overall liquidity. “In contrast, the individual structure of lifestyle funds makes inclusion of private market assets very difficult,” he says. “TDFs offer centralised control, predictable allocation shifts, and scale, making liquidity management for private markets far more practical than in lifestyle strategies.”

Same but different

However, not everyone sees a great difference between the capacity for TDFs and lifestyle strategies to manage private market illiquidity. Fillion, for example, argues: “I don’t think there is a material difference in terms of one structure being better suited to be able to deliver private markets, going forward. I think they can both have the capability to do that, in subtly different ways.”

According to Morrissey, claims that TDFs are more ‘modern’ because they target flexible retirement outcomes versus lifestyling strategies, which target an annuity purchase, are not necessarily accurate. “Lifestyling strategies were the original tool used to de-risk portfolios before the days of retirement flexibility and many of these will have targeted annuity purchase,” she says. “On the other hand, TDFs are newer and tend to have been designed with current retirement behaviours in mind. But in many modern schemes – including the HL Ready Made Pension Plan and our workplace Group SIPP offering, the lifestyling strategy targets a flexible approach.”

Looking ahead

The US adopted the TDF model decades ago, but, according to Smith, the UK may be waking up to its benefits. “Although lifestyle strategies are still widely used, TDFs are gaining popularity, particularly among master trusts,” he says. “This expansion is likely to increase demand for scalable investment solutions that can meet the government’s expectations for greater diversification and sophistication, as outlined in the Pensions Investment Review.”

Written by Sandra Haurant, a freelance journalist

Summary

- Despite global political backlash, the UK pensions industry has continued to advance diversity, equity and inclusion (DEI), with progress in governance, workplace culture and representation.
- However, industry leaders warn of widening gaps, particularly for women, disabled workers and LGBTQ+ employees, stressing the need to embed DEI into fiduciary duty, data, governance and the full pensions value chain.
- The next phase of DEI may be quieter but more embedded, driven by data, regulatory expectations and a shift toward culture, inclusion and belonging rather than headline pledges.

Moving beyond the backlash

Callum Conway reflects on the DEI journey across 2025, which has seen commitment to the cause evolve rather than retreat amid a changed global climate, in *Pensions Age's* final special focus feature of the year

"This administration has taken action to abolish all discriminatory diversity, equity and inclusion (DEI) nonsense… The tyranny of so-called DEI policies has ended."

Those words, delivered earlier in the year by US President, Donald Trump, set a combative tone that reverberated far beyond Washington.

His comments, followed by several US states rolling back corporate DEI requirements and some companies scaling back their own initiatives, marked a stark shift in the political climate surrounding diversity efforts.

For UK pension schemes, providers and advisers, the question was whether DEI would continue to be treated as a strategic priority, or whether the chill from across the Atlantic would lead to hesitation, rebranding, or quiet deprioritisation of DEI initiatives.

As *Pensions Age* concludes its year-long DEI focus, the landscape at the end of 2025 appears more nuanced – and hopeful – than the global headlines might suggest.

Continued momentum

Our January feature argued that DEI was 'here to stay', while recognising the scale of work required for DEI to become embedded across the sector. That assessment still stands.

Indeed, several organisations have sharpened their focus this year and stepped up their commitments.

The Pension Protection Fund's new DEI strategy (2025-28) emphasises that "we don't all start from a level playing field" and highlights overlapping barriers to opportunity.

The Pensions Regulator, meanwhile, outlined plans to embed diversity and inclusion across its people, regulatory, and operational practices, supported by measurable key performance indicators.

Across the wider long-term savings sector, Association of British Insurers (ABI) manager for DEI and customer outcomes, Liisa Antola, has observed sustained progress.

"In the past 18 months, there has been steady progress in DEI across the pensions sector.

"Women's representation in senior roles continues to grow, as does the proportion of directors from ethnic minority backgrounds.

"More of our members now offer enhanced parental leave, IVF and surrogacy support, and returnship schemes to support family-friendly working environments."

She adds that ABI members "remain committed to becoming the most diverse, equitable and inclusive workplaces across the UK", pointing to its inaugural Women in Pensions event and continued Allyship Awareness training as examples of tangible action.

Meanwhile, The Diversity Project chair, Helena Morrissey, suggests that the global backlash to DEI has actually prompted reflection and, in some cases, renewed commitment to the cause, rather than retreat.

For instance, she points to a webinar earlier this year, which showed European and UK firms continuing to ramp up efforts, viewing this moment as an opportunity to strengthen competitive advantage as clients increasingly expect meaningful progress.

One area gaining momentum is cognitive diversity, particularly its link to investment performance.

Research commissioned by The Diversity Project and led by professor, Alex Edmans, suggests that cognitive diversity can give investment teams a competitive edge.

This has helped sustain interest in programmes supporting under-represented groups, from its Pathway Programme to initiatives aimed at socio-economic and ethnic diversity.

Uneven progress

Despite positive signs of DEI advancement this year, many in the industry warn that gaps remain in certain areas.

Pensions Equity Group co-chair of communications and awareness and People's Partnership brand lead, Molly Handley, describes progress over the past 12–18 months as "steady but uneven", noting improvements in governance frameworks and stewardship but warning that gender equity remains a major concern.

Indeed, recent data shows that women's median private pension at retirement stands at £173,000 compared to £286,000 for men – a 32 per cent gap.

Meanwhile, research from the Society of Pension Professionals (SPP) and Stonewall highlights that LGBTQ+ people continue to face unequal pension outcomes, with the UK falling from first to 22nd place in ILGA Europe's equality rankings over the past decade.

Echoing this stagnation, the SPP's Inclusive Futures series warns of a growing disability pensions gap, with Disability Rights UK chief executive, Kamran Mallick, noting that disabled workers remain twice as likely to be unemployed and earn significantly less per hour.

These disparities indicate that progress in some areas may be masking widening inequalities elsewhere.

Reframing the conversation

One noticeable trend this year has been the move away from the term 'DEI' itself.

Increasingly, organisations are using language centred on 'culture', 'inclusion', 'belonging' or 'talent equity'.

For many commentators, including SPP chair, Sophia Singleton, this reframing is no bad thing.

"Given the work is continuing, its importance is recognised, and it helps improve outcomes, what you call it is probably secondary," she notes.

Morrissey likewise sees reframing as a "constructive shift" aligned with a focus on team effectiveness.

According to Antola, DEI language in the workplace is "constantly evolving".

"We're seeing some firms shift toward terms like 'belonging' and 'fairness'… This helps them embed DEI into strategic priorities rather than treating it as a standalone initiative."

Handley stresses that such reframing "is not dilution – it's evolution", so long as it continues to reflect a genuine commitment to inclusive governance and member outcomes.

"Terms like 'inclusive culture' and 'talent equity' resonate more with boards and avoid polarisation," she adds.

The road ahead

Despite some continued progress on DEI, Singleton points to fatigue, cost pressures, and potential loss of senior sponsorship as ongoing concerns.

"What we have to do is mitigate these risks by demonstrating the economic and social benefits of a more diverse and inclusive pensions industry," she says.

Echoing this, Handley warns that leadership disengagement poses the greatest threat to the agenda.

"When leadership treats DEI as discretionary, progress stalls," she claims.

"Embedding DEI into fiduciary duty and governance standards is the antidote − making it non-negotiable."

She also underscores the importance of embedding DEI throughout the pensions value chain − from trustee recruitment to member communications, product design and ESG-aligned investment approaches.

For many organisations, 2025 has been about laying the foundations for DEI strategies, broadening awareness, and setting goals.

As we approach 2026, the question is no longer "why DEI?" but "what will we do differently to accelerate progress?"

Industry leaders largely agree that the next phase will be more data-driven and linked to governance and performance.

Morrissey says firms will be more ambitious, shifting away from quota-style thinking towards building high-performing, cognitively diverse teams.

"Those are common goals, whether people are DEI sceptics or advocates," she adds.

Meanwhile, Singleton anticipates more rigorous measurement, hoping that firms move from 'vanity indicators' to metrics like promotion velocity, pay equity and demographic turnover.

Antola also expects a more evidence-based approach.

"The next phase of DEI is likely to be data-driven. Our own figures already show where we've made progress and where gaps are… In 2026, it will remain crucial to continue collecting and analysing this data, but we must also commit to taking action where needed."

Echoing this, Handley believes the coming phase will be defined by data-driven accountability, backed by mandatory disclosures and increased pressure to scrutinise pension gap data.

She stresses that the sector must look beyond headline numbers and adopt "a broader, intersectional lens that captures systemic financial disparities".

Meanwhile, Handley says that whether the recently relaunched Pensions Commission addresses the gender pensions gap "remains a critical question".

The commission aims to explore the complex barriers stopping people from saving enough for retirement.

Ultimately, 2025 has shown that DEI is evolving rather than declining.

If the pensions industry is to sustain momentum into 2026, DEI will need to be measured, evidence-based and integrated across the value chain – not simply promoted through headline pledges and pointless box-ticking.

The challenge now is ensuring that reframing does not become retreat but instead lays the foundations for long-term structural change.

Written by Callum Conway

Summary
• Despite pensions being the largest shared asset between couples after property, only 13 per cent of divorcing couples consider pensions when dividing assets.
• This is even more of a challenge for women who are significantly more likely to waive pension rights, which only exacerbates the gender pension gap and can cost them thousands in retirement.
• Experts say financial education, early guidance and policy reform are needed to tackle this issue.

Splitting up and losing out

Despite pensions often being one of the most valuable marital assets, they are routinely forgotten during divorce negotiations. Paige Perrin investigates the risks of overlooking pension wealth in divorce negotiations – and what industry, advisers and policymakers could do to stop thousands losing out on retirement income

When people think about what must be divided in a divorce, they usually focus on the family home, who the children will live with, and any savings. However, it is often the largest shared asset after a house, a pension, that remains completely overlooked.

Research from Legal & General (L&G) found that only 13 per cent of divorcing couples considered pensions when dividing assets, with women far more likely to waive their rights to their partner's pension (28 per cent of women vs. 17 per cent of men).

The size of the problem

L&G Retail Retirement managing director, Lorna Shah, says the impact of a divorce can be "far-reaching" and "while we, understandably, focus on its emotional impact, the financial implications can last well into retirement".

"As the divorce process can be an extremely sensitive and uncertain time for separating couples, it's understandable that they may focus on assets with more immediate or sentimental value, like a shared property," she continues.

"However, overlooking pensions during this process can have significant consequences for later life, particularly if one partner stayed at home to take on childcare, or other caring responsibilities during the marriage, leaving them with less in their own retirement pot."

For many, the problem starts with a simple lack of understanding. Trafalgar House director, Dan Taylor, adds that "most people don't know what they are looking at" when it comes to pensions.

He notes that pensions "aren't tangible like houses or bank accounts". He explains that someone may dismiss a defined benefit income of £8,000 a year, without realising the cash equivalent transfer value (CETV) might exceed £300,000 – often more than the equity in the family home.

Delays in CETV production compound this challenge. Barnett Waddingham senior consultant for pay gap analytics and financial wellbeing, Melissa Blissett, notes that waiting times have stretched to as long as six months in some cases for a CETV, raising legal costs and disrupting divorce timelines.

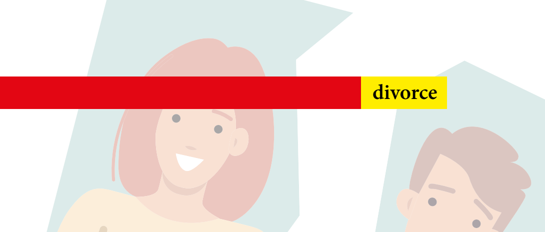
The financial impact of this knowledge gap is stark, particularly for women. Scottish Widows' research found that 60 per cent of women did not discuss pension assets as part of their divorce, a decision that could leave them around £77,000 worse off in retirement.

Scottish Widows retirement expert, Susan Hope, explains that many people "can't focus on the long term of retirement savings in life-changing moments, while they try to figure out what the near future is going to look like".

In terms of splitting pension assets in divorce, several options are available, including pension sharing, pension allocation/earmarking and pension offsetting.

While the Law Commission's 2024 scoping report indicates that pension sharing orders (where a pension is split and typically an agreed-upon cash value is invested into a new pension for the divorcing partner) are now the predominant court-mandated route, they are not widely utilised.

Indeed, Now Pensions financial adviser and head of campaigns, Samantha Gould, highlights that less than two in 10 divorces in the UK request a pension-sharing order.



This means that divorced women are reaching retirement age with just half the pension wealth (£26,100) of other women (£57,500), and 10 per cent of the pension wealth of men (£205,800).

Interactive Investor senior manager, Camilla Esmund, suggests that the traditional split after a divorce, where women keep the family home and men keep their pension, is "exacerbating the gender pension divide".

Gould adds that eligibility barriers further disadvantage divorced women. In 2020, 14 per cent of divorced women were ineligible for auto-enrolment, leaving many reliant on the state pension alone.

Even when couples attempt to address their pensions, navigating the system can be difficult. St James Place head of advice, Claire Trott, argues that pension sharing orders can be "costly and *[as retirement]* is also something that is still a long way off, and people are more concerned about the here and now when they get divorced".

Trott argues that the process needs reform and should allow monetary-value splits in England, not just percentage-based orders.

The Law Commission report reinforces this, noting that the valuation requirements and court processes involved in pension sharing can create delays and extra costs.

Improving awareness

The consensus among experts is that people need guidance far earlier. Taylor says members are currently "left to figure it out alone" and that "by the time pensions are brought into the conversation, the divorce may already be well underway – that's too late".

He notes that the support offered by the pension industry to people dealing with divorce is "at best…reactive".

"A member contacts the scheme, usually late in the divorce process, and requests a CETV. At worst, schemes charge for providing the figures, which can deter members from pursuing what they're entitled to. There's no consistent approach, and no real momentum behind educating members about the role their pension plays in divorce," he says.

Esmund agrees and says that pensions must be discussed earlier in life, not only during divorce. She also emphasises the importance of financial education: "Without better financial education, there's a danger pensions still seem like a boring pile of admin and remain forgotten".

"Creating a fairer pensions system will not happen overnight, but giving pensions more attention during the divorce process can make a tangible difference to the retirement prospects for divorced women in particular"

However, Taylor argues that this "isn't a difficult problem to solve", suggesting that schemes could include prompts in their communications to explain the availability and importance of CETVs, or flag the need to consider pensions during life events like a change of address or marital status.

In addition to financial education, Hope says digital interventions could play an important role in providing practical guidance to support financial resilience, while Taylor argues that clearer language, practical checklists, and early guidance could "change the game".

Trott agrees and proposes that financial advice could have an "invaluable" role in difficult times such as divorce. She says: "Although the adviser may not be able to suggest the split because that is usually an actuary's job, they can guide about what needs to be done and what the financial implications of sharing a pension will be."

Now what?

Looking ahead, experts say systemic reform is essential. Hope argues that policy intervention would have a "huge impact" with pensions needing to be embedded more firmly in the financial disclosure and settlement process during divorce. She also says that tighter collaboration is needed between advisers and family lawyers.

"Creating a fairer pensions system will not happen overnight", Gould says. "But giving pensions more attention during the divorce process can make a tangible difference to the retirement prospects for divorced women in particular."

She highlights that Now Pensions has been lobbying the government since 2019 for reforms that would help underpensioned groups, including scrapping the £10,000 AE trigger, removing the lower earnings limit, considering pension pots on divorce, introducing a family carer's top-up and ensuring childcare is more available and affordable.

Meanwhile, Blissett advocates for face-to-face pension education sessions: "These raise confidence in pension understanding and, in the event of future divorce, will enable employees to enter this with a better understanding of what they have and, importantly, the confidence to obtain more information themselves."

The message from across the industry is clear: Pensions cannot remain the hidden asset of divorce. Without timely guidance, accessible information and targeted policy reform, thousands will continue to enter retirement with significantly less than they are entitled to – simply because they weren't aware of the financial implications.

Written by Paige Perrin

Dear Santa

It's time of year again – time to write your letter to Santa! *Pensions Age* asks: If you could ask Father Christmas for anything to improve the UK pensions space, what would be on your wish list?

Dear Santa, you've followed a similar process that's worked well for hundreds of years, so you know the value of stability. Adapting to central heating happened gradually, not overnight. We'd love the same approach in UK pensions – some stability and a structure that lasts for at least the next 20 years without constant tinkering. Make it fit for purpose, the future, and the economic environment, so someone starting work today can expect broadly similar benefits to those retiring today.

Your elves have all year to prepare for Christmas Eve. If further changes are coming to the pensions industry, give pension providers enough time and make them effective – giving members, employers, and providers time to plan and avoid rushing through critical changes over a short period. We can work wonders but can't use magic to perform miracles in a matter of weeks.

Finally, as someone who operates globally, please level the playing field when buying UK and overseas equities. Removing stamp duty on UK shares would make a real difference for pension funds and savers alike.

SEI head of master trust, David Snowdon

Pensions, at their heart, are straightforward, providing people with an income in retirement. But over the years they have become wrapped up in numerous layers of legislation and regulatory obligations, which seem to multiply each year at a faster rate than my Christmas shopping list! With the Pension Schemes Bill poised to introduce sweeping changes from now until 2030, it appears this trend will only continue.

Much like Jacob Marley's ghost, pension scheme trustees and managers must sometimes feel shackled and weighed down by the sheer volume of pensions law and regulatory obligations. To bring some festive pensions cheer, where possible, my wish would be to keep any additional requirements in regulations and guidance as light-touch and flexible as possible. This would go some way to lightening the inevitable extra load brought about by the Pension Schemes Bill.

Sackers senior partner, David Saunders

Dear Santa, please bring the UK pensions world three wise gifts: Regulators who know the difference between risk and noise, decision-making that gets beyond the front page, and consultants who stop reinventing the wheel at £700 an hour. And if there's room in the sleigh, a dashboard that actually works.

Cartwright corporate treasury head of investment – north, Yona Chesner

I would ask for him to align the availability of retirement CDC schemes with the guided retirement requirements. This would allow those running DC arrangements to include retirement CDC as part of the development of their default decumulation options. At present there is a real risk that DC trustees or governance committees will have to spend lots of time and effort in designing their default and may not be able to include an option that could offer better outcomes to their members.

Isio director, Iain McLellan

Dear Father Christmas, if you do find a spare inch of space in your sleigh, I'd be very grateful if you could deliver a few gifts to help the UK pensions world shine next year:

1. A world free from pension scams: A sprinkle of magic to turn every scammer into a kind, honest citizen would be the ultimate Christmas miracle.
2. More simplicity in governance: We've come a long way, but a little extra clarity would bring joy to trustees everywhere.
3. A smooth journey to wind-up and dashboards: Please, please could all the data behave perfectly, and nothing fall from the sky?
4. A calm, stable year: No surprise regulations or emergency deadlines – just cheerful teamwork.

Hughes Price Walker, director, Ray Hughes

Pensions education would sit firmly at the top of my wish list; introducing pensions and saving in the school curriculum will give young people the confidence to plan for the future. Workplaces should also be encouraged to provide pensions education at every career stage from auto-enrolment in early careers to guidance on draw down strategies and tax efficiencies when planning for retirement.

My wish list also includes education through inclusivity. For those whose first language is not English, complex pensions jargon can lead to confusion, disengagement, and missed opportunities to save for retirement. Part-time workers, the self-employed, and those with career breaks also deserve solutions that work for them.

Zedra Inside Pensions managing director, Manjinder Basi

It is 25 years since Bob the Builder was the Christmas number 1 single with '*Can we fix it*' and a lot of construction has happened in the pensions industry since then. Members are pretty baffled by the choices that they face (especially following the 'freedom and choice' reforms) and are making poor decisions as a result. Some schemes have already done extensive work to introduce decumulation pathways, but the Pension Schemes Bill will make it a trustee duty to implement default solutions. In this context, the government anticipates that retirement-only collective DC arrangements will feature heavily.

My wish to Santa Claus: Please can you help us to 'fix it'? We need DC decumulation pathways to be implemented quickly and smoothly, and for collective DC to evolve as a key part of the solution. We need to help members to make the most of their retirement income without facing difficult decisions.

Squire Patton Boggs professional support lawyer, Lynn Housecroft

If I could ask Father Christmas for anything this year, it would be clarity and confidence for scheme trustees – the comfort they need to begin using DB surpluses as a force for good.

DB schemes are sitting on a growing financial cushion. According to the Pension Protection Fund's latest *Purple Book*, private-sector DB schemes hold around £219 billion in surplus, with funding ratios at 123 per cent. Some industry estimates now put the surplus closer to £223 billion. It's a rare moment of balance-sheet strength and an opportunity to think differently about how this capital can support long-term UK growth.

The challenge is unlocking it in a way that supports both members and the wider economy. The Mansion House reforms point towards a clear ambition: Mobilising long-term pension capital into productive finance, strengthening jobs, infrastructure, homes and the UK's economic resilience.

With the right safeguards, DB surpluses could help deliver that vision – supporting new homes, accelerating the transition to net zero, and keeping pension savings working in the communities people live in and rely on.

So, my Christmas wish is simple: that trustees feel empowered to use these surpluses responsibly, turning pension strength into UK growth.

Octopus Capital head of UK institutional sales, Sian Roberts

If Santa were taking requests to improve UK pensions, I'd ask for three things, hoping Santa would deliver at least one on the big night!

First up, it must be adequacy akin to a new BMX. I think we all agree that every saver deserves a pension that provides a decent standard of living in retirement, not just the bare minimum. Second, a continued shift towards a retirement income system which would be like a new games console. Other countries introduced post-DB reforms on an income basis rather than just a pure focus on pot size. We need to help people translate their savings into a sustainable income and sometimes over their lifetime. Third, and we are getting greedy now, so we need an API integration to check if we are on the good or bad list, greater flexibility and fairness. I think this would be like the best trainers. A modern system should adapt and reflect reality, which would mean solving the gender gap.

Festina Finance UK country head, Dan McLaughlin

Pensions history

The ghost of Christmas past

In 1994, just before Christmas, a Pensions Bill was presented to parliament. That bill became the Pensions Act 1995, one of the most significant pieces of pensions legislation that this country has enacted. It was passed as a response to the Maxwell scandal, followed an extensive report into pensions law by Professor Roy Goode, and marked the beginning of a long period of legislative and regulatory intervention. In retrospect it was the beginning of a revolution.

And yet at the time it was considered evolutionary not revolutionary. Calls for an entirely new regulatory system had been rejected and trust law retained. Additional statutory requirements – member trustees, the MFR, clarification of trustee and professionals' responsibilities and accountability – seemed workable and complemented the trust framework. The powers of OPRA, the new pensions regulator, were relatively light touch.

Fast forward a few years. A compliance culture arguably emerged rather than material improvements in scheme governance. Further legislative requirements were imposed. Trustees' decision making became shaped by a tougher pensions regulator, its new concepts and its lengthy codes of practice. Since although guidance repeats the mantra that trustees should take their own advice and that every scheme is different, increasingly detailed lists of items for trustees' consideration are set out. Trusteeship but not as we knew it.

And it was the Pensions Act 1995 that provided that the pensionable age of men and women should be gradually equalised. The equality ghost still haunts us 30 years later…

www. pensionsarchivetrust.org.uk

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...**

Quantum Advisory is sponsoring third year Loughborough University student, Sam Gibson, as he continues his sporting journey with the university's Rugby Union Performance Squad. Sam has just begun his final year of his geography and management degree and will continue to play with the squad this season alongside his studies. Loughborough University offers offers a unique and high-level playing experience, with the performance teams competing in both Rugby Football Union National 2 West (Tier 4 of English Rugby) and British Universities and Colleges Sport Super Rugby, the highest level of university rugby in the UK. Commenting on the spondership, Quantum Advisory partner and actuary, Stuart Price, said: "As a firm we are keen to support young people so we are pleased to continue our player sponsorship of Sam for another rugby season. Sam is a very talented player, and we are excited to play a part in what looks to be another successful season for Sam and the squad."

sammons
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Thank you to everyone we've worked with this year, we look forward to assisting you in 2026 and hope that you find the enclosed calendar useful!

Sammons Pensions Annual Salary Survey 2025

Closing soon for participation

Scan the QR code to access the survey or contact us for more information

All respondents receive a copy of the survey and will be entered into a prize draw!