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Collective DC
Upcoming rules for multi-employer
CDC schemes

Self-employed
What changes are required to assist the self-employed in their retirement saving?

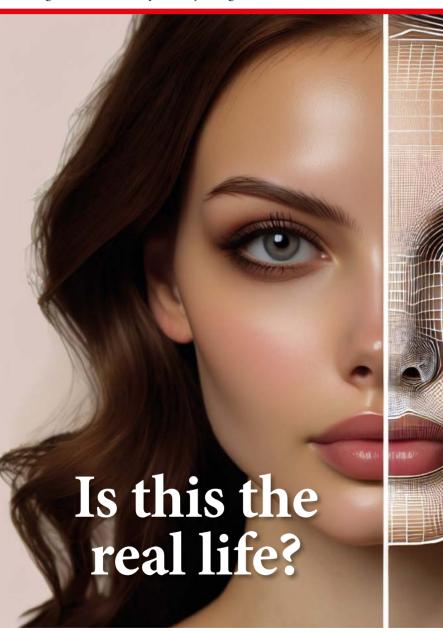
Multi-assets
The role of multi-asset investing within pension fund portfolios

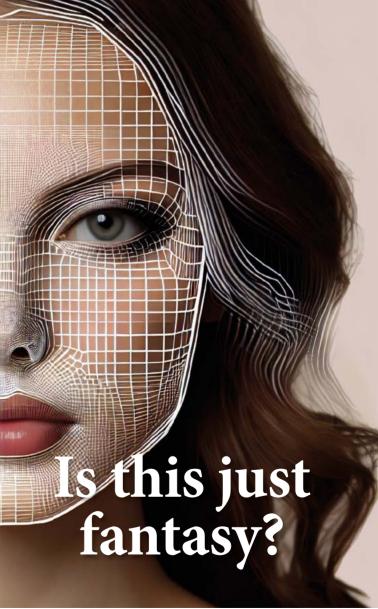
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TPR: How its Innovation Support Service is making the regulator an enabler of industry change

DEI special focus: The efforts the industry can make to help increase disabled people's retirement saving levels





The growing use of Al-generated 'deepfakes' in identity fraud

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comment news & comment

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

ause we are living in a digital world, and I am a digital girl...." So sang Madonna; kinda. But my inaccuracy with the lyrics coincides with the inaccuracy of that statement - as my longsuffering colleagues will attest, I am not very digitally minded (for example, I've worked here at Perspective Publishing for almost 15 years and I still can't fathom how to create and send out the daily email newsletter – sorry team!).

However, it's about time I 'get with the programme' (just in case you're in any doubt about how old and out of touch I am).

Not least because the government has recently announced plans to introduce a digital ID system via an app-based system by the end of parliament, August 2029, to prove a person's right to live and work in the UK.

Proponents for the digital ID system state that it will help to tackle illegal working, while civil liberties groups raise concerns about privacy and data security.

Cybersecurity firm NymVPN chief digital officer, Rob Jardin, responded to the proposal, stating: "Putting all of someone's identity, biometrics, and access to services into one central system doesn't just create a bigger target for hackers – it means that if that system is breached, everyone is at risk. And unlike a password, you can't just change your fingerprint or your date of birth. The damage can follow you for years."

This risk is one the pensions industry is also starting to face. It too is increasingly integrating digital information about its members into its systems - and will be accelerated by the upcoming launch of pensions dashboards.

Our cover story this month [see p61] explores the risk the industry faces once it increasingly holds biometric data of its members for identification purposes, along with how artificial intelligence (AI) software can be easily used by fraudsters to create 'deepfakes' that can pass member verification tools and forge official documents such as passports to steal identities and funds. However, just as AI can cause these problems, so too can AI tools be used to siphon out these fakes with a far greater success rate than would be possible under human effort.

But it is not just the risk of AI software being used for nefarious means that we should consider, nor the excitement of the many opportunities it can open up for the sector; we

must also remember that the technology is still in its early days and glitches still exist.

For instance, recent research revealed that AI answered 44 per cent of financial advice questions incorrectly, with 52 per cent of questions about investing and pensions answered incorrectly, putting the 40 per cent of Brits who have used AI tools for advice at 'huge risk'.

I can attest to the validity of those findings, having recently turned to ChatGPT to help me understand a complicated stamp duty scenario. It was only my existing financial knowledge that meant I recognised the egregious calculation error it was returning, no matter how many times I rephrased the question. That human knowledge is still required; we cannot blindly accept the findings of AI as gospel.

That does not take away from the many excellent and exciting implementations of AI, such as having an 'adviser' on hand, being able to check large volumes of data for fraud, the types of which our eyes would not be able to spot, or completing calculations to free up staff for tasks that require a more human touch. It's little wonder that so much of this month's issue of Pensions Age - focused on 'looking ahead' is dedicated to the opportunities AI can provide.

But it seems to be a question of equilibrium, of mitigating the risks of AI while embracing the opportunities, of integrating the best use of technology with the best use of human endeavour.

To that end, the launch of The Pensions Regulator's innovation support service [see p44] strikes a sensible balance between ambition and caution. Its 'seven principles' include 'responsible technology use' and 'saver needs', acknowledging 'the promise of AI and digital platforms but also highlighting transparency and trust' – both of which require human intervention.

So, we may be living in a digital world, but we can't become fully digital girls (and boys) just yet.



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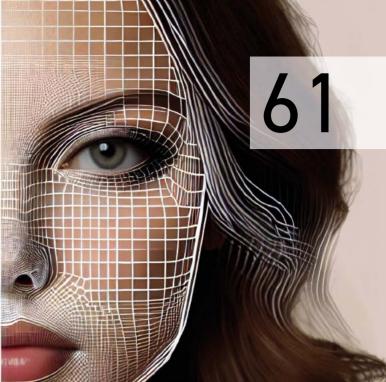
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News, views & regulars

News round up and appointments Comment: TPR, PLSA, PMI Diary and SPP comment Comment: AMNT, ABI, PPI Regular Q&A: Dan McLaughlin

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Always on: Cyber incident planning

Aon associate partner, John Harney, looks at why cyber incident response planning for pension schemes must be an ongoing strategic priority – not a 'one and done' exercise

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Massi Delle Donne explains how collective DC could bear greater fruit for pension savers



☑ Investing in the Al revolution

Giles Tulloch explains why compute and data will be at the heart of the next decade



Pensions consolidation – what is it and why is it beneficial?

Having spent the past six years working for two of the leading consolidators in

the pension trustee market, Tom Neale, chief operating officer of Entrust, Gateley's pension trustee company, is uniquely placed to offer valuable insights into this rapidly developing market



Laura Blows discusses the role of private market investment within DC schemes with Aviva director of investments, Maiyuresh Rajah



From DC pot to paycheck: Turning savings into income for life 39

Phoenix CIS head of corporate investment services, Jess Williams, shares how her team helped deliver a UK first

for DC master trust members – supporting TPT Retirement Solutions in launching its 'Managed Income for Life' default decumulation solution

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Features & columns

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Pensions Age Autumn Conference highlights

This year's Pensions Age Autumn Conference, led by seasoned pensions expert, Robert Branagh, brought together hundreds of prominent figures from across the UK pensions industry to discuss some of the hottest topics on UK pension schemes' agendas today



Reimagining pensions

With the launch of its Innovation Support Service, The Pensions Regulator has begun to

position itself no longer as simply an enforcer, but an enabler of change. Sophie Smith takes a closer look



Admin focus: Integrating people and processes 47

Isio highlights how the human touch must not be lost when integrating AI

solutions into pensions administration, and the key changes occurring within the pensions administration sector



Adequacy, accountability and the next generation

From auto-enrolment to AI, Sophia Singleton sits down with Paige Perrin to talk about how

the Society of Pension Professionals is driving progress to deliver better outcomes for savers and support the future of the pensions profession



Blending assets 54

Sandra Haurant considers the role of multi-asset investing within pension fund portfolios



Multi-employer CDC in practice - from drawing board to delivery

After years of planning, the first multi-employer CDC pension schemes could be launched as early as 2027, with regulators set to publish rules this autumn



The sum of many small parts

As the number of self-employed continues to rise, what changes are required to better assist them in their retirement saving?



Guardians of pensions' past 60

The Pensions Archive Trust (PAT) chair, Jeff Highfield, tells Callum Conway how the charity is safeguarding the industry's history for future generations



Closing the disability pensions qap

Many people with disabilities are unable to accumulate significant

occupational or private pension savings, in part because of the difficulties to find work and struggles they may face within the workplace. David Adams looks at what the pensions industry, employers and policymakers might do to help ensure more disabled people can enjoy a better income in retirement



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NEW circulation figures

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

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news & comment round up v

Dateline - September 2025

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



፩ 2 September The Pension Schemes Bill began the Committee Stage in the House of Commons, with a raft of amendments tabled on the morning of the first debate. Mandation, member safeguards and indexation took centre stage at the hearings.

▶ 4 September Chancellor,

Rachel Reeves, confirmed that the Autumn Budget will be delivered on 26 November [read more on page 12].

- **⊘** 5 September The Pension Attention campaign launched with a fitness-inspired advert fronted by TV star Ross Kemp and pension trainer Bola Sol, which is calling on Brits to 'gain pounds' for the future [read more on page 22].
- **⊘** 5 September MP for Wolverhampton South East, Pat McFadden, was appointed as Secretary of State for Work and Pensions at the **Department for Work and Pensions** (DWP), as part of the cabinet reshuffle.



© 8 September Research from the Thinking Ahead Institute revealed that the assets of the top 300 pension funds reached a

record high of \$24.4trn, despite a slowdown in asset growth.

- **▶ 9 September** The UK held firm at 14th place in the **Natixis Investment Managers**' 2025 Global Retirement Index, despite losses in the country's material wellbeing and finances in retirement.
- **2** 10 September The Pensions Regulator (TPR) urged the pensions industry to take action, amid concerns over a rise in pension scammers impersonating both pension providers and members [read more on page 20].

- ▶ 11 September Pensions Minister, Torsten Bell, confirmed the government's intent to abolish the Pension Protection Fund's (PPF) administration levy, with plans to include this in the next round of Pension Schemes Bill amendments [read more on page 10].
- **∑** 11 September TPR urged trustees and administrators to work together to deliver higher standards of administration and help achieve better saver outcomes, warning that despite signs of progress, challenges remain [read more on page 12].
- **②** 11 September Data from Action Fraud revealed that £17,657,249 in pension savings was lost to fraud in 2024, with individuals losing an average of £33,848.
- ➤ 15-18 September Industry organisations undertook work to support Pensions Awareness Week 2025. The week saw a renewed focus on pension adequacy concerns, and the best ways for the industry to help members engage. Suggestions included calls for a 'pension check up', calls to encourage members to make better use of existing tools, and for wider simplicity.
- **≥** 15 September The consultation window for feedback on HMRC's draft legislation bringing pensions into the scope of inheritance tax (IHT) closed, with some suggesting that changes are needed to ensure the legislation delivers the original policy intent.



⊘ 16 September Wage growth and inflation trends suggested that it was likely that the **state pension** would see a 4.7 per cent boost in

2026. However, industry experts warned the upcoming increase could not only cause further concern over the future of the state pension triple lock, but also see a growing number of pensioners paying tax.

▶ 16 September A report from Pensions UK suggested that a united, industry-delivered model could offer a feasible and cost-effective solution for

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implementing the Small Pots Data Platform by 2030, in line with the government's roadmap. However, it said that, rather than building a complex centralised system, the platform should make use of existing infrastructure.

② 16 September The FCA's Retirement Income Market Data revealed a surge in pension withdrawals, as well as an increase in the number of pots being accessed for the first time. However, it found that less than a third (30.6 per cent) sought regulated financial advice first.



፩ 17 September LCP's research found that the professional trustee market has entered a new phase of maturity, with growth slowing but intensifying concentration.

According to the survey, four firms now oversee 80 per cent of the £1.1trn of DB assets.

- ▶ 17 September The Office for National Statistics confirmed that inflation held at 3.8 per cent in August, adding to speculation that wage growth (4.7 per cent) will be the deciding factor for the state pension triple lock in 2026. This also intensified debate around the cost of the state pension and whether any changes are an appropriate way to ease pressure on public finances.
- **2** 17 September The House of Lords Finance Bill Sub-Committee launched an inquiry into the Draft Finance Bill 2025–26, including plans to bring unused pension funds into the scope of IHT [read more on page 18].



⊘ 17 September The government consultation on options to take forward climate-

related transition plan requirements closed. Industry organisations said that any transition reporting requirements should be relevant for pension schemes, proportionate, and translate into real-world reductions in climate risk.

- ➤ 18 September The Prudential Regulation
 Authority (PRA) identified several potential risks in
 the growing use of funded reinsurance (FundedRe)
 within the bulk purchase annuity (BPA) market. PRA
 director for prudential policy, Vicky White, said that the
 authority is working to put the right framework in place
 now, "so that unmitigated risks do not rise to a level
 where they could put the resilience of the sector and its
 policyholders in peril". She raised particular concerns
 over the potential preferential treatment FundedRe
 arrangements may be receiving under the Solvency UK
 framework compared to traditional insurers.
- ▶ 18 September The Money and Pensions Service (Maps) shared its Strategic Plan for 2025-28, listing the launch of pensions dashboards as a key priority. Maps said delivery of the MoneyHelper dashboard will be "at the heart" of its pensions work [read more on page 23].
- **②** 23 September The PPF confirmed that it will not charge a conventional PPF levy this year (2025/26), as a result of the Pension Schemes Bill's recent parliamentary progress [read more on page 10].
- **23 September** Three years on from the **mini-Budget**, industry experts emphasised that UK pension schemes remain in a "much stronger position", although challenges remain, with some warning that while the system feels "safer", the real test is yet to come [read more on page 16].



▲ 25 September HMRC and the FCA issued a joint statement clarifying the interaction between tax legislation and regulatory rules on pension cancellation rights, which industry experts highlighted as evidence of the risks of rushing to access tax-free cash [read more on page 12].

news & comment round-up ▼



PPF confirms zero levy as Pension Schemes Bill continues through parliament

The PPF confirmed that it will not charge a conventional levy this year, as a result of recent progress made by the bill

he Pension Schemes Bill has continued to progress through parliament, following more than two weeks of hearings and debates during the committee stage.

The past month saw several hearings by the Pension Schemes Bill Committee, with insight heard from MPs and industry experts. Mandation and indexation were arguably two of the biggest aspects of the hearings, receiving wide focus from MPs across several political parties.

The hearings also provided an opportunity to debate a number of the wider amendments and clauses tabled by opposition, including calls for new climate-related requirements, calls to introduce universal free financial advice, and various calls for greater indexation.

Whilst most of these wider amendments were withdrawn or voted down during the committee stage, several measures in the bill have seen broad support, and have already created change in the pensions market.

The Pension Protection Fund (PPF), for instance, has already confirmed that it will not charge a conventional PPF levy this year (2025/26), as a result of the bill's recent parliamentary progress.

The move is expected to benefit around 5,000 DB schemes in the UK, saving them and their sponsoring employers a collective £45m.

The PPF previously announced that it had included a provision when setting this year's levy rules, enabling it to recalculate the conventional levy to zero if appropriate legislative changes were brought forward, and sufficiently progressed, this year. It also put the 2025/26 levy invoicing on hold, in order to leave the door open for the PPF to move to a zero levy for conventional schemes for 2025/26.

Given that parliamentary progress made by the Pension Schemes Bill recently, and in recognition of the broad support among policymakers and stakeholders, the PPF's board confirmed that it has decided to exercise its provision to move to zero levy for 2025/26.

This decision, according to the PPF, is intended to provide timely clarity for DB schemes and their sponsors, enabling them to better make any associated financial decisions this year.

It was also highlighted as an "important milestone" in the PPF's own funding journey, as the lifeboat emphasised that it is in a robust financial position, which has enabled it to take this decision whilst maintaining strong confidence in its ability to pay current and future members' benefits.

Indeed, PPF CEO, Michelle Ostermann, highlighted the fact that the PPF is now in a position to be self-funding as a "testament to the PPF's maturity".

"By moving to zero levy, I'm delighted that we're directly supporting

v round-up news & comment

the government's pension reforms, delivering savings for schemes and enabling more growth supporting investment," she continued.

The government also held up the decision as a demonstration of its "dedication" to ensuring the sustainability of the pension system while reducing the financial burden on employers and pension schemes.

Pensions Minister, Torsten Bell said: "Rigid rules currently leave pension schemes paying millions into the PPF even when extra funding is not required.

"The Pension Schemes Bill will sweep away those constraints. This will support betterfunded pension schemes and greater investment by firms."

"Rig leave paying the paying strength of the paying strength of

Adding to this, PPF chair, Kate Jones, said: "I'm

pleased that we're able to save DB schemes £45m this year. The legislative changes we've needed to further reduce the levy have made good progress, giving us the confidence to act decisively for this year's levy.

"As we reach this significant milestone on our journey to financial self-sufficiency, we recognise the invaluable contribution levy payers have made over the past 20 years. We couldn't have delivered the protection and peace of mind to members without them."

The news was also welcomed by the broader pensions industry, as Pensions UK executive director of policy and advocacy, Zoe Alexander, said: "The reduction of the levy to zero is positive news for DB pension funds, their members and their sponsors, and is the culmination of collaborative working and constructive conversations between Pensions UK, its members and the PPF.

"We acknowledge DWP's contribution for bringing the necessary legislation forward and welcome the timing of this decision, which will provide muchneeded certainty for schemes."

Adding to this, Brightwell CEO, Morten Nilsson, hailed the news as a "landmark moment which will deliver meaningful savings for DB schemes and their sponsors, while maintaining the important safety net the PPF provides to the industry".

The news has also been welcomed by businesses, as SME Pension Consultation Group and member of the PPF SME Levy Forum, Charles Malcolm-Brown, said that SME sponsors are "mightily relieved" by the PPF Board's decision,

> while Confederation of British Industry future of work and skills director, Matthew Percival, said that the PPF's decision not to charge a levy this year is "welcome

news for businesses".

"Rigid rules currently

leave pension schemes

paying millions into the

PPF even when extra

funding is not required"

The PPF said that it will continue to support policymakers as they consider the bill in its remaining parliamentary stages, and will engage in due course with industry on its levy plans for 2026/27, which will be informed by the remaining passage of the bill.

Further levy changes could also be seen in the future, as Bell also recently confirmed the government's intent to abolish the PPF's administration levy, with plans to include this as part of the next round of amendments to the Pension Schemes Bill.

The Liberal Democrats previously tabled an amendment to the bill that would abolish the PPF administration levy at the start of the committee stage.

Lib Dem MP, John Milne, raised the clause during the ongoing Pension Schemes Bill Committee hearings, describing it as "a small but meaningful reform that aligns with wider pension reforms that are all aimed at reducing red tape, simplifying funding and ensuring efficient use of scheme resources".

He also confirmed that "discussions with the PPF indicate that it has no objection to this proposal and would be content for its administration costs to be met from general reserves".

"Given industry support and PPF agreement, we feel that the government should implement this change without any further delay," he stated.

"The levy raises only a relatively small amount, but it adds unnecessary complexity and confusion to scheme finances and risks undermining wider reforms, especially efforts to reduce the risk-based levy to zero, which have been widely welcomed."

Responding during the debate, Bell acknowledged the ongoing concerns around this issue, admitting that "this is not a new issue; it has obviously been raised significantly by parts of the industry".

Despite this, Bell said that whilst he broadly supports the intent of the new clause, the amendment to section 116 of the Pensions Act 2004 is "unworkable" as it is currently drafted.

However, he confirmed that this is an issue that the government is planning to address through future amendments, stating: "I give the hon. Member our assurance that we intend to lay amendments at a later stage that will achieve the same aim."

However, issues impacting the PPF are still a key debate as the bill continues through parliament, with a specific focus on indexation issues.

The PPF said that it continues to prioritise supporting the government's consideration of PPF indexation levels, confirming that this work is unaffected by the move to a zero levy.

Broader issues also remain as the bill continues to progress, however, as Bell stressed during the latest committee hearing that "we must finish the job".

Written by Sophie Smith

news & comment round-up ▼

Budget speculation persists; Bell brands tax rumours as 'nonsense'

Whilst the Pensions Minister hit back at recent speculation around the upcoming Budget, data from the Financial Conduct Authority revealed that continued uncertainty is impacting saver behaviour

ensions Minister, Torsten
Bell, has dismissed recent
speculation surrounding
possible pensions measures in
the upcoming Autumn Budget
as "nonsense", urging the industry to
focus on the government's track record.

Commenting on the recent Budget rumours at the Social Market Foundation inaugural Pensions Conference, Bell warned that "there's a lot of nonsense out there", placing the blame for this speculation, and the subsequent action taken by savers, with journalists.

"I hope every newspaper has indemnified against claims about bad pensions advice they may or may not have been providing recently" he stated.

Rather than fuelling rumours, Bell said that the sector should "judge the government on what it has done".

Bell's comments come after analysis from the Financial Conduct Authority (FCA) suggested that continued speculation around potential pension changes has prompted a significant increase in the amount of money being withdrawn from pensions, with a particular 'surge' seen in large pots.

The figures showed that the amount of money withdrawn from pensions had risen by 35.9 per cent over the past year, increasing from £52.152bn in 2023/24 to £70.896bn in 2024/25. The number of pension pots accessed for the first time also increased again, coming in around 8.6 per cent higher at 961,575.

Quilter head of retirement, Jon Greer, highlighted this growth as evidence of how more people are leaning on pensions earlier, often to meet rising living costs and fill income gaps elsewhere.

LCP also pointed out that a particular surge in activity was seen in the number of people accessing pension pots worth more than £250,000.

According to the FCA's data, large pension pots accessed and taken into drawdown increased from 34,832 between April 2023 and March 2024 to 58,544 between April 2024 and March 2025, a 68 per cent increase.

"These figures show graphically how uncertainty about pensions and tax can move the market," commented LCP partner, Steve Webb.

Indeed, LCP noted that the increase between April and September 2024 coincided with fears that the first Budget under the new Labour government would introduce measures such as capping or scrapping tax-free lump sums.

It also pointed out that this figure increased further in October 2024 to March 2025, likely in response to the Budget announcement that pensions would come into scope of inheritance tax from April 2027 [read more on page 18].

Evelyn Partners retirement specialist, Andrew King, also warned that "as it seems the Treasury is unable or unwilling to put such rumours to bed, you can assume the increase in withdrawals is going on as we speak".



However, Greer said that "the real concern is the scale of withdrawals and the lack of advice that accompanies them, which risks leaving many without adequate income later in life," as the FCA found that less than a third (30.6 per cent) of people sought regulated advice before accessing their pension.

The risk of rushing to access tax-free cash was further highlighted after the FCA and HMRC issued a joint statement clarifying the interaction between tax legislation and regulatory rules on pension cancellation rights, which industry experts have highlighted as evidence of the risks of rushing to access tax-free cash.

This confirmed that, while the exact rules depend on the specific circumstances, simply accessing tax-free cash does not, in itself, trigger cancellation rights, meaning that once paid, tax implications, such as the use of a member's lump sum allowance or lump sum death benefit allowance, will remain, even if the payment is returned.

"The latest statements are a reminder that people should think very carefully before making major financial decisions based on speculation about what might be in the Budget," LCP partner and head of pensions and tax, Alasdair Mayes, said.

Written by Sophie Smith

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TPR calls for 'collective' industry effort to raise admin standards

The Pensions Regulator said that whilst progress has been made, challenges remain



he Pensions Regulator (TPR) has urged trustees and administrators to work together to deliver even higher standards of administration and help achieve better outcomes for savers, warning that despite signs of progress, challenges remain.

TPR made the comments alongside the findings from its year-long engagement with 15 pension administrators, which highlighted the growing importance of administration, with 'encouraging' signs of progress, as many admin firms are becoming more strategic and resilient.

In particular, TPR's report found that while the perception of administration as a low-margin and low-value function is now changing positively, and most of the third-party administrators spoken with are now profitable.

TPR said that, given growing demands, pension administrators are modernising systems and rethinking service delivery, with investment in AI and digital tools. There were also improvements in risk and change management.

However, TPR found that key challenges remain, particularly around changes to regulatory requirements, technology, staffing, data, and cybersecurity.

Although TPR acknowledged that the market is now seeing increased investment in

technology upgrades, AI, and people, it argued that much more work is required.

Finding and retaining experienced staff, especially for defined benefit schemes, was one key challenge highlighted.

In addition to this, TPR argued that although efforts are underway to modernise and integrate systems like administration, payroll, and member portals, outdated systems remain a significant challenge, and improvements are being held back by limited budgets and the need for competitive pricing.

Given this, TPR stressed that continued technology investment and strategic planning are essential to overcome existing barriers to deliver more effective and efficient services.

"A collective industry effort is needed to raise the profile of administration to secure the recognition and investment it requires to meet growing demands and member expectations, and to prepare for the significant upcoming regulatory and legislative changes, including pensions dashboards," it stated.

Indeed, whilst member engagement remains low, especially in DB schemes,

TPR said that it expects pensions dashboards to increase member interest and engagement, with a likely increase in member expectations of the administration service as a result.

It therefore encouraged trustees and administrators to plan the likely impact of dashboards and consider whether their current administration service, member engagement strategies and member interaction channels are likely to remain effective and be capable of handling the significantly increased demand.

Data also remained a key concern, as TPR found that many administrators continue to struggle with poor-quality data, which hampers automation and can lead to mistakes and delays.

But TPR said that technology improvements mean that maintaining data quality is now easier, arguing that, in the future, both trustees and administrators need to appropriately focus on and invest in their data.

Commenting on the report, TPR interim executive director of market oversight, Julian Lyne, said: "We expect administrators and trustees to reflect on these findings and work together to identify ways to improve administrative practices to better serve savers. As the market evolves, trustees must take greater responsibility and accountability for ensuring those improvements happen."

TPR is also taking steps to support the industry in these efforts, confirming that it will be developing a new administration strategy, whilst also continuing direct engagement with administrators, and updating its administration guidance setting clearer expectations for trustees.

TPR said that it will also promote further collaboration and transparency between trustees and administrators, collaborating with the industry and looking at actively participating in industry working groups, and advise government on future legislation.

Written by Sophie Smith





Administration



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LDI crisis three years on: 'Safer' system in place, but challenges remain

Significant progress has been made in addressing the underlying issues that allowed the 2022 gilts crisis, but challenges remain, and the real test of another bond crisis is yet to come

hree years on from the mini-Budget, industry experts have emphasised that UK pension schemes remain in a "much stronger position", although challenges remain, with some warning that while the system feels 'safer', the real test is yet to come.

UK DB pension schemes faced significant volatility after the mini-Budget in 2022, as a sharp surge in gilt yields triggered collateral calls on liability-driven investment (LDI) portfolios held by many schemes, which later compelled the Bank of England to temporarily buy long-dated gilts to calm the market.

Improvements have been seen since, as The Pensions Regulator's (TPR) market oversight report found that trustees are complying with explicit collateral guidelines surrounding LDI.

The regulator's report, which looked at how well pension schemes are prepared for LDI risk, showed that the LDI sector has made significant steps to improve resilience following the gilt crisis in 2022.

TPR said that regulatory intervention, strengthened governance and enhanced risk management practices have all improved the sector's ability to withstand market shocks, with particular progress in compliance with interest rate buffers, improved recapitalisation processes, and increased focus on liquidity.

"The key focus has been to increase



exposure to matching assets away from growth assets and reduce leverage within LDI mandates," it stated.

"Within return-seeking assets, trustees have been re-considering their exposure to less liquid assets, as they prioritise liquidity and resilience."

TPR also noted that both the size and duration of LDI exposures have reduced materially since the end of 2021, which means that daily volatility in leveraged LDI assets is more than 50 per cent lower now than it was at the end of 2021.

According to TPR, the rise in long-term interest rates had a 'profound' impact, with a fall in the size of the LDI market from about £1.5trn at the end of 2021 to about £0.7trn at 31 March 2025.

The duration of LDI exposure has also fallen significantly from about 20 years to 13 years, driven by the passage of time

and the impact of significantly higher real interest rates.

However, TPR clarified that while there will be a cohort of schemes that have significant reserves within their LDI mandate, enabling them to ride out any foreseeable increase in gilt yields, there are a number of areas that deserve greater focus by trustees in the future, including diversification of collateral assets and resilience testing.

In particular, TPR encouraged trustees to carry out periodic stress tests to

evaluate LDI strategy robustness and the ability to replenish interest rate buffers within five days, and be more aware of the concentration risks associated with assets earmarked for sale during stress events.

Industry sentiment is in line with TPR's findings, as Isio chief investment officer, Barry Jones, said that while UK DB pension schemes are now in a much stronger position, as higher interest rates and the recovery, "challenges remain", as some schemes are still tied up in private assets that take years to mature.

"LDI looks different today. Schemes now run with much larger buffers to avoid the kind of forced gilt sales that dominated headlines in 2022," he said.

"The question is whether these safeguards are more than just a comfort blanket. In the last bout of volatility, managers often asked for more collateral rather than relying on buffers. Repurchase agreements offer an extra backstop, but whether the system can truly withstand another shock remains to be seen."

Given this, Jones warned that although "the system feels safer today, the real test will be how these new safeguards perform in the event of another bond crisis".

"Understanding how and when buffers can be used will be key to avoiding history repeating itself," he said.

Written by Sophie Smith

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Work to finalise plans to bring pensions into IHT continues

► Although the industry has welcomed the changes made to the inheritance tax proposals so far, experts have warned that there are still issues to iron out in the draft legislation



ork to bring pensions into the scope of inheritance tax (IHT) has continued over the past month, with a number of final hurdles and areas for improvement highlighted in response to HMRC's draft legislation.

The government recently confirmed that it would be moving ahead with plans to apply IHT to unused pensions, as announced in the 2024 Autumn Budget, although it made changes in response to industry feedback. This includes changes to ensure that personal representatives will be liable for reporting and paying IHT, not pension administrators, and confirmation that lump sum death in service benefits are not to be brought into scope of the new IHT regime after all.

But industry organisations have said that there are "still issues to iron out".

In particular, the Society of Pension Professionals (SPP) said that the requirement for members to be in 'employment' should be replaced with a requirement to be in 'employment or other service' to avoid inadvertently excluding certain categories of member benefiting from the IHT exemption that applies to death in service benefits.

In addition to this, it recommended explicit

exclusion from IHT for trivial commutation lump sum benefits.

This was not the only change, as the SPP said the requirement that the scheme administrator should pay any tax within three weeks from the day on which it receives the beneficiary's notice is too short and should be extended to 30 business days.

"Publication of this draft legislation shows there are still some issues to iron out to ensure it better delivers the original policy intent and avoids unintended consequences – the recommendations in our response will help achieve that," SPP legislation committee chair, Shayala McRae, said.

This was echoed by Sackers partner, Claire van Rees, who said: "The draft legislation addresses many practical concerns raised by the pensions industry around workability of the initial proposals, albeit by pushing much of the burden on to personal representatives.

"However, some issues remain, particularly around clarifying exactly when death in service lump sums will be excluded from scope of IHT, and on some practical implementation areas.

"The overall policy also extends differences in treatment between unmarried couples and those married or in a civil partnership, particularly as DC pensions grow in importance."

Final details surrounding the legislation will also be the focus of a newly-launched inquiry from the House of Lords Finance Bill Sub-Committee.

The Finance Bill Sub-Committee was appointed by the Economic Affairs Committee to consider the Draft Finance Bill 2025–26, including plans to bring unused pension funds and death benefits into the scope of IHT, with a specific focus on tax administration, clarification, and simplification.

As part of this, the committee has said that it is looking to hear from taxpayers, their advisers, relevant organisations, and any other interested parties on the plans.

Sub-Committee chair, Lord Liddle, said: "In its draft Finance Bill, the government is proposing a measure to bring unused pension funds and death benefits into the scope of inheritance tax. It is also making significant changes to agricultural property and business property reliefs.

"The Finance Bill Sub-Committee's work does not look at the rates of tax proposed by the government. Instead, it makes recommendations on how the government's tax policy can best be implemented and administered.

"These are important changes. To inform our work we want to hear from as broad a range of people and organisations as possible. If you have a view on any aspect of these proposals, please let us know what you think."

Written by Sophie Smith



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ension scam concerns
have been on the rise,
with analysis from The
Pensions Regulator (TPR)
suggesting that scammers are
exploiting security vulnerabilities to gain
unauthorised access to accounts.

Analysis of reports to Action Fraud, made possible as part of TPR's Pension Scams Action Group (PSAG) work, revealed that fraudsters are using increasingly sophisticated impersonation tactics to target savers' pensions.

In particular, TPR found that fraudsters are hacking savers' email accounts and accessing their correspondence with their pension scheme.

With the stolen data, fraudsters then impersonate the member, contact their scheme and attempt to change the details of the beneficiary bank account.

TPR also found examples of fraudsters using the stolen information to set up fake pension accounts in the member's name in order to transfer and steal their savings and, in some cases, access was gained to the accounts as the credentials were poorly secured or unsecured.

More than half (55 per cent) of the reported victims were between 50 and 69.

Scam warnings grow amid rise in impersonation fraud

The regulator found that there is growing impersonation of both members themselves and pension organisations



PSAG intelligence business lead, Paul Sweeney, argued that it is "vital trustees and administrators act now to strengthen their scheme defences – and ensure their members secure their accounts".

Sweeney also raised concerns over reports that fraudsters are impersonating brands, including trusted organisations savers may rely on for help, in order to target individuals, including those who have already been scammed.

Indeed, both the Financial Conduct Authority and the Fraud Compensation Fund (FCF) recently issued alerts to warn that fraudsters are impersonating them. Sweeney stressed that work is underway to address this, as PSAG's AI-assisted work to detect and disrupt fraudulent websites continues, with more than 30-high risk sites having been taken down.

He also confirmed that, in order to keep the industry aware of emerging threats, TPR is now issuing warning alerts to the pensions industry in collaboration with City of London Police.

However, he emphasised the need for greater action from the industry itself, noting that nearly 70 per cent of the reports to Action Fraud came directly from savers or their relatives.

"This is a powerful reminder of why we need trustees and administrators, as frontline professionals, to step up and report suspicious activity – before fraudsters reach savers," he stated.

Written by Sophie Smith

Pension Attention campaign returns for fourth year

▼ The campaign is back for a fourth year, championed by Ross Kemp and Bola Sol

he Pension Attention
campaign is back for its
fourth year, with a fitnessinspired advert fronted by
TV star Ross Kemp and
pension trainer Bola Sol, which is calling
on Brits to 'gain pounds' for the future.

The campaign, which is led by the Association of British Insurers and Pensions UK, focuses on a fitness theme this year, after research from the campaign group revealed that 19 per

cent of UK adults prioritise getting fit and healthy over saving for later life.

The research showed that over the past 12 months, 37 per cent of Brits have made a healthy lifestyle change, such as changing their diet or improving their sleep, and 30 per cent have set a new health or fitness goal.

Yet, far fewer are taking action when it comes to financial health, as less than a third (29 per cent) have organised their finances for later life.

In fact, the campaign found that, on



average, UK adults check their fitness progress more often than their pension balance, and they are more than twice as likely to track their daily steps and how many hours

they've slept instead.

Given this, the campaign is intended to help encourage the nation to act now and engage with their retirement plans.

Written by Sophie Smith



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■ News in brief

Pensions Age summarises some of the latest news in the pensions industry, including the latest product launches, de-risking deals and awareness efforts...

Awareness levels



The past month saw a renewed focus on savers' understanding of pension issues amid the annual

Pensions Awareness Week initiative:

- Analysis from Just Group found that just 38 per cent of those aged 60+ who haven't retired do not feel prepared, while 23 per cent are neither prepared nor unprepared.
- Research from My Pension Expert revealed that Britain's No.1 excuse for

avoiding pensions advice is simply 'no particular reason', with 49 per cent admitting procrastination is the biggest barrier to preparing for retirement.

- Standard Life found that 47 per cent of UK adults do not know how much they have in their pension. This lack of awareness spans all generations, but was particularly pronounced in older savers.
- Interactive Investor's *Great British Retirement Survey* revealed that most pension savers believe they will fall short of a comfortable retirement, with rising debt, delayed retirement and low levels of

financial knowledge fuelling concerns.

- M&G found that 20 per cent of adults, nearly 11 million people, have delayed planning for retirement until aged 40 or after.
- Herbert Smith Freehills Kramer found that 3 per cent of UK employees are confident the state pension will be a sufficient source of income.

And there is more to come, as the past month also saw leading retirement providers join forces to launch the UK's first National Annuity Day, which will take place on 21 October 2025.

De-risking momentum continues



Despite the usual summer slowdown, September proved busy for

the pension risk transfer market:

- The BP Pension Fund secured a £1.6bn buy-in with Legal & General (L&G), marking the first de-risking transaction for the £18bn pension fund.
- The Amtico Company Pension Scheme completed a £52m full buy-in

with Standard Life, insuring the benefits of 425 members.

- The SG Pension Fund completed a £160m buy-in with Aviva, securing the benefits of more than 1,900 members.
- The Stora Enso UK Group Pension Scheme agreed a £61m buy-in with Royal London, covering 758 members.
- An unnamed UK charity sector pension scheme completed a £15m buyin with L&G, covering the benefits of 100 pensioners and 20 deferred members.
- Fenwick's pension schemes agreed buy-in transactions totalling £113m with Aviva, covering all remaining benefits.
- The Ultra Electronics Pension Scheme secured a £250m full scheme buy-in with Just Group, securing the benefits of more than 1,750 members.
- Welcome Break Pension Plan agreed a £23m pension buy-in with Just Group.
- Two pension schemes linked to Mativ Holdings Inc agreed a £105m buyin with Rothesay.

A changing market



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

pensions industry:

• Phoenix Group confirmed that it will rebrand to Standard Life in March 2026, returning to the name of the company it acquired in 2018.

- Just Group shareholders voted in favour of Brookfield Wealth Solutions' acquisition of the company, in what has been hailed as a key milestone.
- Standard Life revealed plans to launch an alternative pension default fund, underpinned by a significant (up to 25 per cent) allocation to private assets.
- Nest partnered with annuity broker Retirement Line to give its members direct access to annuities.
 - M&G has announced plans to launch

a with-profits bulk purchase annuity (BPA) early next year, as it continues to expand on its BPA capabilities.

- Barnett Waddingham launched a DB pension monitoring service 'Lighthouse.'
- Hymans Robertson launched a service to help corporates strengthen DB pension governance standards.
- The Pensions Management Institute (PMI) convened and held the first meeting of its new Administration Industry Group.

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Keeping track of the pensions dashboards connections



he first few deadlines in the Department for Work and Pensions' (DWP) dashboards timeline guidance have

now passed, and the number of providers that have completed

their connection to the dashboards ecosystem has continued to grow since. The Pensions Dashboards Programme has also shared updates on the wider industry connection progress behind the scenes, revealing that tens of millions of pension records are now connected. *Pensions Age* brings you the latest updates ...

Dashboards remain a priority...



The Money and Pensions Service (Maps) has highlighted work on pensions dashboards as a key priority in its strategic plan for 2025-28, confirming that the delivery of the MoneyHelper Pensions Dashboard (MHPD) will be "at the heart" of its future work.

In addition to delivering the Pensions Dashboards Programme (PDP) and launching the MHPD, Maps confirmed that it will be developing and delivering a marketing plan, coordinating with stakeholders on its communication and engagement activities for the successful launch of MHPD and broader availability of pensions dashboards. This work will also include specific efforts to ensure that it is designed for those most in need, providing a service that is accessible for all.

"We will evolve our content, information, tools and services to fit seamlessly with the dashboards service, as we strive to ensure that people receive the right guidance at the right time to help them navigate complex choices and make informed decisions," Maps stated.

In addition to work to support the launch of the MHPD, Maps said that, as dashboards become available to the public more widely, it will explore opportunities with commercial providers to signpost their customers to MoneyHelper, where they would benefit from impartial information and guidance.

...As industry connections ramp up

• Over 50 million private pension records are now connected to the pensions dashboards ecosystem, alongside tens of millions of state pension records.

The milestone was confirmed in the Pensions Dashboards Programme's (PDP) latest update, and means that more than two-thirds of records in scope, with hundreds of schemes and providers already connected. It also confirmed that more pension providers and schemes are continuing to connect in line with guidance as the programme moves towards the final connection deadline of 31 October 2026.

• People's Pension, the largest commercial master trust in the UK, has completed its direct connection to the pensions dashboards ecosystem.

The connection will enable pension data to be available through the government-backed MoneyHelper dashboard and in the future through private sector dashboards.

People's Partnership chief information officer, Nigel Rodgers, highlighted the connection as an "important step" in modernising pensions technology in the UK, confirming that the group has been working closely with the Money and Pensions Service to ensure it could connect as early as possible.

The next upcoming pensions dashboards connection deadline is 30 October 2025, and will cover:



• Public service pension schemes of all sizes.

This will also mark the start of the one-year countdown to the final connection deadline, which the Pensions Dashboards Programme has said it is "confident" most schemes and providers will be able to meet. However, whilst the government and PDP had previously implied dashboards could be launched to the public before this date, this now seems unlikely, with focus instead on the MoneyHelper Pensions Dashboard.

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appointments round up ▼

Appointments, moves and mandates



an McOua

The Pensions Administration Standards Association (PASA) has appointed four board members.

The appointments include Independent Governance Group trustee director, Amanda Asante, Local Pensions Partnership Administration managing director, Joanne Darbyshire, Trafalgar House client director, Daniel Taylor, and

Muse Advisory CEO, Ian McQuade. Commenting on the appointments, PASA chair, David Fairs, said: "We're delighted to welcome Amanda, Joanne, Daniel, and Ian to the PASA Board. Each brings a wealth of experience and passion for pensions administration, alongside distinct perspectives from across the public, private, and trustee sectors."



Alice McIntosh

 Ø Aegon has appointed Alice McIntosh as director of consultancy and adviser relationships to its workplace distribution team.

McIntosh has been at Aegon for 28 years and moved from her current role as strategic development director within the workplace distribution team on 1 September 2025, following the retirement of Martin Trenchard after six years with

Aegon. In her new role, she is responsible for developing, broadening and strengthening relationships with employee benefits collectives across the UK, and is part of Aegon's workplace senior leadership team. McIntosh will report to Aegon commercial director for workplace, Nick Roy.



Maike Currie

Ø PensionBee has announced the appointment of Maike Currie as vice president of personal finance.

Currie brings 20 years of experience to her new role and has held senior roles at Hargreaves Lansdown, Fidelity International and Investec Asset Management (now Ninety One). Most recently, Currie held the role of head of marketing campaigns and content at

Hargreaves Lansdown. Currie is also a leading voice on the need to close the gender pension gap and the importance of encouraging more women to invest. In her new role, Currie will play a central role in shaping the company's personal finance and consumer engagement strategy.



Hatty Goodwin

8 Independent Governance Group (IGG) has appointed Hatty Goodwin as trustee director and head of risk transfer.

She will lead IGG's risk transfer team and be based in IGG's Bristol office. Goodwin brings over 17 years of experience to the role, having worked within a range of advisory firms, including WTW, Capita, Broadstone, and most recently, Aon, where she led the investment

risk settlement team. The appointment follows recent announcements of risk transactions where IGG is appointed as professional trustee. She is also chair of trustees for Marmalade Trust, a charity dedicated to raising awareness of loneliness and is a trustee for Bristol Metropolitan Orchestra.



Girish Menez

> The Pensions Management Institute (PMI) has appointed Girish Menezes as its president, alongside three non-executive directors on its board.

Menezes brings over two decades of experience in pensions governance and advocacy, and has a track record of driving professional standards, fostering collaboration and championing member outcomes across the sector. In his new role, he will work with the board and executive team to shape PMI's strategic priorities and elevate standards across the sector. Menezes will also serve as serve as a non-executive director on the board of directors. As well as the appointment of a new president, the PMI appointed Louise Davey, Duncan Buchanan and Mary Cahani as non-executive directors. In addition to this, the board also approved the reappointment of Rachika Cooray. In line with the PMI's constitution, which permits up to three non-elected director positions, Helen Forrest Hall has been appointed as the third executive director. All the appointments follow

an announcement made at the PMI's annual general meeting on the 11 September. Commenting on the appointments, PMI chair, Ruston Smith, commented: "We are delighted to welcome Girish as our new president and to strengthen our board with such a diverse and talented group. Their combined experience and passion for professional excellence will be instrumental as we continue to support our members and industry, raise standards, and drive innovation across the pensions industry."

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round up appointments



The Centre for Finance, Innovation and Technology (CFIT) has appointed The Pensions Regulator (TPR) chief executive, Nausicaa Delfas, as an independent non-executive director on its board. Delfas has led TPR since April 2023 and previously held several senior roles at the Financial Conduct Authority (FCA), including executive director of international, executive director of governance and chief operating officer. She also served as interim chief executive of the Financial Ombudsman Service and is a qualified solicitor. In addition to Delfas' appointment, CFIT has appointed Chris Pond as non-executive chair and Vivienne Artz as an independent non-executive director. Pond has held a range of senior roles across financial services, academia and politics and is a former MP and Work and Pensions Minister in the Blair government. He is also currently chair of the FCA Consumer Panel and replaces Charlotte Crosswell, CFIT's founding chair. Meanwhile, Artz is chief executive of the FTSE Women Leaders Review and holds

several board and advisory roles supporting businesses in their data, privacy, equality, diversity and inclusion (EDI) and digital transformation strategies. These appointments follow the appointment of Anna Wallace as the organisation's CEO to lead CFIT into its next phase of its growth. Commenting on the appointments, CFIT CEO, Anna Wallace, said: "Chris, Nausicaa and Vivienne are valuable additions to CFIT's board, bringing significant experience in overseeing financial services organisations and further strengthening our governance."



Cormac Bradley

Broadstone has annouced the appointment of Cormac Bradley as senior actuarial director.

Bradley brings almost 30 years of experience to his new role from the senior actuarial roles he has held at Direct Line Insurance Group - now part of Aviva and Willis Towers Watson. He will join Broadstone's insurance, regulatory and risk division within its non-life

insurance team. Commenting on the appointment, Broadstone head of insurance, regulatory and risk, Darren Richards, said: "We are delighted to welcome Cormac to Broadstone and our growing insurance, regulatory and risk division."



Tegs Harding

> London Pensions Fund Authority has appointed Tegs Harding to its board. Harding is a professional trustee, a qualified actuary and a fellow of the Institute of Actuaries as well as head of sustainability at Independent Governance Group. She also holds a CFA certificate in environmental, social and governance investment and is an accredited member of the Association of Professional Pension Trustees. To this role,

she brings her knowledge from across various pension scheme sectors, including DC, master trusts, DB, and collective DC schemes. Prior to her move into trusteeship, Harding built a career in investments and has experience chairing investment committees for large schemes.



Donna Prince

8 Hymans Robertson has appointed Donna Prince as head of member experience for risk transfer.

This newly created role, which sits within the firm's risk transfer and wind-up practice, shows Hymans Robertson's increasing focus on member outcomes as an important component of risk transfer strategy. In her new role, Prince will lead the development and delivery of member

experience solutions and ensure that schemes are equipped to put member needs at the centre of their decision-making. Prince has almost 20 years of experience advising clients and has worked across a wide range of scheme sizes and complexities.



Lewis Vanstone

8 Railpen has promoted Lewis Vanstone as head of infrastructure and Julia Diez as head of UK productive assets.

Vanstone joined Railpen in 2019 and has since played a central role in expanding Railpen's infrastructure portfolio. In his new role, he will lead Railpen's infrastructure team as it expands its presence in renewable energy and essential services infrastructure.

Meanwhile, Diez will be responsible for directing the strategic vision and execution of its productive asset portfolio. Diez is experienced in capital deployment and portfolio management. She has worked collaboratively with stakeholders and supported the growth of companies such as CMR Surgical, Oxford Nanopore, and IP Group.

news & comment round up



VIEW FROM TPR: Securing benefits and investing for growth

With over 75 per cent of schemes in surplus on a low dependency basis, we're entering a new era – one where trustees have more options than ever before.

This shift allows us to think beyond buyout as the only endgame. New models such as 'running on' offer flexibility, enabling surplus release while continuing scheme operations. But with opportunity comes responsibility. Trustees must ensure decisions are member-focused, evidence-based, and aligned with long-term goals.

We're supporting trustees to assess their funding position and navigate this evolving

environment with covenant guidance, new models and options guidance and a new DB Funding Code. But strong funding must not breed complacency; global risks and economic volatility demand continued vigilance. We expect most schemes undertaking their valuation could use the Fast Track method. For those pursuing bespoke strategies, early collaboration is key and engagement with advisers and sponsors is essential.

Productive finance has emerged as an option for the future of DB schemes: offering potential to deliver sustainable returns and broader economic value. Trustees must be equipped to assess illiquid assets and understand long-term risk-adjusted returns.

Ultimately, our goal is a sustainable system that delivers for savers and contributes to broader economic growth.

TPR director of trusteeship, administration and DB supervision,



David Walmsley



▼ VIEW FROM PENSIONS UK: Strengthening your engagement

When it comes to pensions, engagement is an ongoing effort. That's why industry-wide initiatives like Pay Your Pension Some Attention are so important – to help savers feel confident about their pensions, check what they have, and understand what they'll need.

This year's campaign has a fitness theme, recognising that many people take steps to address their physical health, but fewer understand what they need to do to get their pension in shape for the future. Fronted by TV's Ross Kemp and financial

expert Bola Sol, we encourage savers to take three simple steps: Stretch your mind back to uncover past pensions, check your form by logging in to see what you have, and work out what you might need for the future.

In 2024, around 30 per cent of people recalled our campaign, and of those, 87 per cent took action, equivalent to nearly four million employees engaging with their pensions. By combining broadcast media, press, social media, and digital marketing, the campaign uses a multi-

touch approach to ensure messages stick.

Engagement drives better outcomes. But keeping savers connected is an industry-wide responsibility, and Pension Attention shows what we can do when we work together. We've been really excited by the response we've had to this year's campaign and encourage you to keep spreading the word.



Pensions UK head of media relations, Mark Smith



▼ VIEW FROM THE PMI: A season of anticipation for pensions reform

As the seasons shift, so too does the mood across the pensions landscape. The Pension Schemes Bill is making its way through parliament, the Pensions Commission is likely to begin finding its rhythm and engaging with sector and beyond, and a cascade of consultations is expected imminently. The air is thick with anticipation – and with it, the need for focus.

This is a moment to pause and prepare. The sector is bracing for complexity, but we must stay grounded. Reform must be ambitious, yes – but also coherent, deliverable, and rooted in the realities of scheme governance and member experience.

Early signals from the commission suggest a welcome emphasis on adequacy, long-term resilience, and unlocking pensions capital for national priorities. But as policy proposals begin to take shape, we must keep the saver at the centre. That means simplicity in design, fairness in outcomes, and clarity in communication.

We have an opportunity to shape a

system that works – not just in theory, but in practice. That will require collaboration, pragmatism, and a shared commitment to what matters most: Helping people achieve financial security in later life. Let's make this season of change one that delivers lasting value.

PMI chief strategy officer, Helen Forrest Hall



▼ risk management cyber

Always on: Cyber incident planning

▶ Aon associate partner, John Harney, looks at why cyber incident response planning for pension schemes must be an ongoing strategic priority – not a 'one and done' exercise

e are all aware of the ever-evolving nature of cyber threats to organisations, including pension schemes.

Cyber risk is an increasingly pervasive real-world threat and The Pensions Regulator (TPR) has published detailed guidance for trustees, which includes expectations around incident response planning. Simply put, a scheme's incident response plan should not consist of letting providers and the sponsor manage the incident as best they can. Trustees play a crucial role in overseeing how the scheme responds to cyber incidents, which should also be considered a risk event when completing their Own Risk Assessment.

Wider practice

Beyond the UK, the EU's Digital Operational Resilience Act (DORA) sets out clear standards for pension schemes by classifying them as financial institutions, highlighting their importance in providing retirement income. Given the risk of outages – whether accidental or malicious – operational resilience and maintaining critical functions like regular pension payments are essential.

The centrepiece of this legislation is a requirement for schemes to be prepared for incidents, including putting in place, reporting major cyber incidents within four hours and regularly testing an incident response plan.

Regular scenario testing

Many UK pension schemes have carried out scenario testing over the past few years, however, response plans must keep



pace with evolving cyber threats and changes to the scheme's governance and operational structure. For example, after a buy-in does your incident response plan still meet current needs?

As well as refining existing incident response plans, these scenario testing sessions (sometimes referred to as 'wargames') are helpful training for trustee boards on cyber risk more generally and what it means for their specific scheme's processes and operations.

Testing sessions can be held with different focuses. This can be achieved by considering various scenarios, but also by inviting key providers to participate alongside the trustees. Alternatively, the session might focus specially on operational, member or financial impacts of a cyber incident.

As well as deep-dive exercises on a biennial or triennial basis, schemes can also carry out abridged, annual testing. This is already a requirement for EU-based schemes under DORA.

Response planning, including the creation of a testing plan, is not solely a legal matter. It requires risk management while considering relevant legal obligations to members and regulators. It is also not just a question of data security. Assets can be at risk, as well as

the overall operations of the scheme and day-to-day member services. Appropriate planning also involves developing a communication strategy so trustees know 'how' as well as 'what' they would want to tell members in the event of an incident.

Cyber incidents and overall scheme strategy

In 2025, pension schemes must consider more stakeholders, like buy-in providers and dashboards. There is a serious risk that a cyber incident could disrupt large projects, endgame planning, transaction preparation, or, indeed, dashboards connections. Running suitable test sessions can reduce the wider impact of such incidents on scheme priorities.

Another outcome from testing sessions is a clearer view on proactive steps to take to manage operational and cyber risk. For example, establishing a more structured approach to the depth and regularity of assessments of third-party providers or getting a clear picture of the scheme's cyber footprint through a data and asset map.

Trustee leadership

Trustees are ultimately responsible in the event of an incident and they should set the pace and coordinate the response, even if they are reliant on third parties for information or support. They should be looking ahead, to ensure everyone is coordinated, moving at the right pace and staying together. In the same way, scheme trustees should be thinking ahead to what might be coming next, and regularly testing their incident response plan will help them in doing so.



Written by Aon associate partner, John Harney

In association with



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Diary: October 2025 and beyond

Pensions UK Annual Conference 2025

14-16 October 2025

Manchester Central, Manchester

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

pensionsuk.org.uk/events/conferences

☑ Irish Pensions Awards 2025

4 November 2025

The Mansion House, Dublin

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

europeanpensions.net/irishawards

Pensions Age Awards 2026

3 March 2026

Grosvenor House, London

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

Nederlandse Pension Awards 2026

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, entries close 5 November.

europeanpensions.net/nederlandawards

Visit www.pensionsage.com for more diary listings

Don't forget...

National Pension Tracing Day

26 October 2025

This industry-backed campaign urges savers trace lost pensions, making use of the extra hour when the clocks go back.

nationalpensiontracingday.co.uk/



▼ VIEW FROM THE SPP: How savers can prepare for pensions dashboards

Much of the focus to date on preparing for pensions dashboards has been directed at schemes and providers, urging them to be ready to connect to the ecosystem in line with connection guidance.

Not much appears to highlight what pension savers could do prior to dashboards becoming available for public use. For schemes and providers, this is a key issue that might limit the number of enquiries they receive once view data starts being returned. If communications to savers are being planned, it might be useful to suggest

some worthwhile activities that could be highlighted to savers.

Firstly, they could locate information on their pensions to match the plans they have against those that will be returned from their dashboard.

Secondly, they could check all their personal information is correct fo help with data matching.

Thirdly, they should understand what won't appear on dashboards. Small occupational schemes, pensions in payment, Pension Protection Fund/ Financial Assistance Scheme benefits and dependents pensions are all

presently out of scope.

Fourthly, they may want to think about what they will do with their view data. Will they take any immediate action, will they review it again at a set time, and so on?

Lastly, how will they know if the values quoted will be sufficient for their retirement? For comparison, they could locate a suitable modeller online or access Living Pension information or similar.



SPP member, Neil Munro

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For professional clients only. Capital at risk

Growing the retirement orchard – making sense of CDC

ollective defined contribution (CDC) is a hot topic in our industry with many enthusiastic supporters, including the Minister for Pensions, Torsten Bell, extolling the potential superior member outcomes. However, there are sceptics, and those with more conspiratorial views argue that CDC is just "actuarial voodoo" (which is terrifying as I now cannot dispel the picture of a cackling, top hatted actuary with a necklace of tiny financial calculators and mystical stochastic symbols). I therefore aim to describe CDC's benefits intuitively, without the use of my beloved Excel.

The solo gardener: Imagine you are a gardener who plants a single fruit tree. You water it regularly, and after many years, it grows and starts to produce fruit – your reward for all that effort. This tree represents your pension savings. You invest steadily over time (watering the tree), and when you retire, you start to live off the income it produces (eating the fruit).

But being reliant on just one tree comes with risks. If the tree does not grow well or suffers from disease, there may be too little fruit. You might be hesitant to use a powerful fertiliser if there's even a small risk it could kill the tree. And, perhaps most worryingly, the tree might stop producing fruit while you still need it – leaving you with nothing in your later years.

This is a useful way to think about the challenges of a typical DC pension.

Individuals are responsible for their own investment decisions. They bear the investment risk, must decide how ambitious or cautious to be, particularly near or in retirement, and manage the risk of outliving their savings. It can be an uncertain path.



Joining the orchard club:

Alternatively, imagine you join a gardening club. When you join, a sapling is planted, but instead of having your own tree, you get a share of the entire orchard. Everyone contributes by watering the trees, and in return, the club aims to give you a steady supply of fruit from a set date for the rest of your life. While the amount of fruit is not guaranteed, it's designed to be more predictable and sustainable over time.

There are clear advantages to the orchard approach. You are not dependent on a single tree – if one tree has a bad year, others in the orchard can make up for it. As new members join, planting more saplings, the orchard continues to grow and replenish itself over time. Thus, the orchard can take more risks overall, including using that powerful fertiliser,

without putting the whole orchard at risk. Critically, the amount of fruit distributed to each member is based on how long the average member is expected to live. But, as some will live shorter-than-average lives and others longer, retired members know they can keep getting fruit for life.

However, there are trade-offs too. If the tree you planted produces a bumper crop, you need to share the windfall across the group. And if you pass away before the tree, you cannot leave behind a tree that your family can inherit.

The orchard metaphor highlights the differing features of a CDC. There is only one shared investment fund, so



risk is shared across members and spread over time. This means that a CDC can take on more risk than a typical DC, but any windfall return is shared by all. CDC schemes share longevity risk which ensures an income for life, but in the event of an early death, the residual capital is not passed to your estate.

CDC does not eliminate risk, but it does redistribute it. Think of it less like 'voodoo' and more like joining a cooperative. It is not magic, and it is not perfect, but for many, it could be a better way to manage the uncertainties of retirement.



Written by BlackRock institutional client specialist head, Massi Delle Donne

In association wit

BlackRock.

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▼ VIEW FROM THE AMNT: Let's cut back on the jargon for the good of our members

I recently received a 'Making sense of your retirement options' booklet from one of my DC pension providers. I was quietly impressed by the care and attention in the wording used to explain the various options available to me.

As we know, scheme members are faced with a multitude of specific pension terminology and acronyms that they may not immediately understand – UFPLUS being an infamous example. Annuity is another and I was pleased that my provider had explained that this was "a guaranteed income for the rest of your life".

This made me think about words that have a much more generic origin, but which have a specific use and understanding within pensions.

One that is increasingly prevalent is of course 'surplus' given the record highs recently being recorded across DB schemes.

One dictionary definition is that a surplus is "an amount of something left over when requirements have been met".

Ask a DB scheme member what a pension surplus is, and they may believe this does relate to the holding of an actual cash amount, when of course this is not the case.

It is not surprising that the use of this single word is all that is required for an experienced pension industry audience who understand the jargon.

However, when communicating with scheme members on this subject, MNTs should ensure there is a full explanation of what a pension fund 'surplus' actually means and how it has been derived. Members will not necessarily understand our industry shorthand.



AMNT member, Peter Lewis



▼ VIEW FROM THE ABI: Strengthen your pension campaign

In a political landscape full of change, one thing that's always high on the agenda is encouraging people to save for retirement. Enter: The industry's Pension Attention campaign.

With a focus on prompting people to engage with their pensions, this year's campaign is fronted by TV star Ross Kemp with support from PT (Pensions Trainer) Bola Sol. The newest iteration takes the nation to the gym to 'Strengthen Your Pension', with Ross encouraging Brits to 'gain pounds' for the future.

Research published when the campaign launched showed that over the past 12 months, 37 per cent of Brits have made a healthy lifestyle change, such as changing their diet or improving their sleep. Yet, when it comes to financial health, fewer than one in three (29 per cent) have organised their finances for later life.

Alongside Pensions UK, we're raising awareness that it's never too late to start saving. We also know that, to have an impact, we have to keep it simple. And this year's campaign is focused around three

small steps: 'Stretching' your mind back to past employers, 'checking your form' by logging in to accounts to see how much you've saved, and 'working out' how much you need for the future. Our message is clear, easy actions today could lead to stronger pensions tomorrow.

ABI long-term savings team policy adviser, Emily-Mae Collins





▼ VIEW FROM THE PPI: Two decades on, pension reform faces familiar challenges

Two decades on from the Turner Commission, the UK pensions landscape shows both significant progress and enduring challenges. Automatic enrolment (AE) has transformed participation, with 11.7 million more employees now saving into a workplace pension compared with 2012. Yet, while coverage has expanded, adequacy remains uncertain.

The PPI's latest research output, 20 years on: Expectations vs. realities of the Turner Commission, indicates that many

DC savers are not currently on track for sufficient retirement incomes. Around 8.3 million workers also remain ineligible for AE, leaving large groups outside its reach.

The socioeconomic backdrop has shifted in ways the Turner Commission could not have fully anticipated. Earnings have largely stagnated, homeownership has declined, and financial risk has been increasingly transferred onto individuals. These factors compound the challenge of achieving adequate retirement outcomes, making the pressures on today's workers

different, and in some respects greater, than those of 2005.

This research arrives at a pivotal time. The revival of the Pensions Commission offers a chance to build on Turner's foundations, with the task of considering adequacy in its full complexity. The choices made now will determine retirement outcomes for generations to come.



PPI policy researcher, Shantel Okello

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▼ interview Dan McLaughlin



Football dreams, gaming screens and pension schemes

▼ From dreams of professional football to the reality of a six-month-old pup, Festina Finance UK country head, Dan McLaughlin, tells all on his life outside of pensions

What's your employment history (including jobs outside of pensions)?

My first paid job was a paper round – £6.50 a week and a Tuesday load that tested your grip strength thanks to *Radio Times* and *TV Times*. In my teens, I got into the video gaming scene, back when pixelated graphics were cutting-edge and we thought they looked incredible.

Professionally, I've worked across public and private sectors with some brilliant people. I spent time in strategy in the civil service, including work with Number 10 and did some work supporting ministers during the early days of auto-enrolment. Later, I joined Smart Pension in its early phase, helping scale the business and build global expertise. These days, I'm UK country head at Festina Finance, a modular, cloud-native admin tech provider. It's a privilege to lead a team that's genuinely reshaping pensions administration.

What's your favourite memory of working in the pensions sector?

I'd like to think the best memories are still being made – but one standout was helping Smart Pension expand into the Middle East. We became a first mover in a market that hadn't seen much innovation, and it led to better outcomes for international workers. Like autoenrolment, it was a chance to be part of meaningful reform.

If you didn't work in pensions, what sector would you be in?

Probably sport – specifically the analytics side. I've always been fascinated by the

Moneyball approach: Similar teams and resources, wildly different outcomes.



What was your dream job as a child?

The classic answer:

Footballer. I grew up watching John Barnes and tried to emulate him, but let's say the talent gap was distant.



What do you like to do in your spare time?

Family time comes first – especially now that Douglas, our six-month-old golden retriever, has joined the

ranks. He's a legend. I also keep fit, enjoy the Peak District, and play golf when I can. I also use Duolingo quite a bit – my son and I are targeting a 100-day combo streak! I'm focused on Italian and Danish while he is loving Spanish and Dutch.

Do you have any hidden talents?

As per the Duolingo chat, I speak a bit of Italian and even took a GCSE as an adult. I got a B – although I missed one of the exams to go to the Champions League final in 2007. No regrets.

▶ Is there a particular sport or team you follow?

Liverpool is my team, and I've been to some great matches including 2005 in Istanbul, best game ever. How that Liverpool team beat the AC Milan dream team, we'll never know. But they did! Golf too, across both the men's and women's game. And locally, I enjoy watching

Sheffield's teams across cricket, golf, and both codes of rugby. I'll happily watch any sport going.

What film or boxset should people see?

I'm more YouTube. I'd recommend Cleo Abram's channel – great storytelling across science, tech, and society. Her interview with Sam Altman is especially worth a watch. Oh, and gravity is not a force.

► Is there any particular music or band you enjoy?

A bit of everything. Oasis were iconic first time round – and surprisingly decent second time too. I've got a soft spot for Iron Maiden and Metallica – who doesn't? I can still be spotted wearing the odd Iron Maiden t-shirt...and in public too. Recently, I went to see Billie Eilish with my daughter at the Coop Live in Manchester, which is an incredible venue. It was a brilliant gig and a really special moment for us.

Who would be your dream dinner party guests?

My best friends and family. That's the dream lineup. Beyond this there are the classics, but I would go for Billy Beane (MoneyBall), Billie Eilish (so my daughter could meet her), Bill Shankly (what a leader), Cleo Abram (endless topics) and.......John Barnes.

Is there an inspirational quote or saying you particularly like?

"The harder I work, the luckier I get." It's simple, but it holds!

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Gareth Mee comment ▼



'm the chief investment officer (CIO) of Legal & General's (L&G) institutional retirement business, which executes pension risk transfer (PRT) transactions with DB pension schemes, allowing sponsors to de-risk through transferring responsibility for managing their schemes to L&G. I lead on asset sourcing, working with our client team to identify assets that support optimal transaction pricing and ensure we can pay pension liabilities. I was formerly the CIO of our private markets asset management business and an EY partner.

Monday

I begin the week commuting into central London from Finchley. The morning involves a key element of my role: I meet with John Towner, whose team prices new business transactions and manages relationships between L&G and our DB scheme clients, to discuss the latest market developments and our PRT transaction pipeline. For each

A week in the life of: Legal & General chief investment officer, Gareth Mee

transaction, my investments team outlines the mix of assets that will help us match scheme liabilities and provide optimal value to our clients. Our asset sourcing and client relationships are key to providing competitive transaction pricing and a high degree of execution certainty for our clients.

Tuesday

My team and I constantly assess and manage risk across our portfolios. Today, we look at opportunities to create value, as well as some exciting upcoming

deals from our private credit and real estate teams, which promise to both pay liabilities and deliver a positive social impact. My conversation with John yesterday is front of mind. While the focus is on risk management across the portfolio, we also discuss optimising the value we create from our back book to maximise performance and drive returns that exceed the liabilities we manage, to deliver even better value to our clients.

▶ Wednesday

One of L&G's strengths is our complementary business model. Our asset management business frequently manages DB scheme client assets, enabling greater efficiency and cost savings when they transition towards buyout, so we work seamlessly with asset management's client team. Asset management colleagues also source productive finance assets for us, which offer better value than some traditional listed assets. Today, asset management

colleagues, our board, and I visit our new affordable housing development in Stratford, meeting the team that will welcome tenants. We've invested £1 billion in affordable housing since 2018; these real assets both match liabilities and deliver long-term value for UK communities.

▶ Thursday

Today I have a refreshing break from the office, travelling to the midlands to meet with pensioners at one of the retirement villages in Warwickshire that both L&G and the NatWest Group Pension Fund invest in. This presents a chance to see first-hand how the capital L&G invests tangibly benefits local communities; in this case, communities of retirees similar to those whose pensions we look after. I love these in-person visits as they put a human face to our busy market, over a cup of tea and a board game, and remind us of the positive social role PRT plays.

▶ Friday

After a jam-packed week, I go through my inbox, review documents, and prepare for my upcoming appearance at a Barclays conference, which offers some great opportunities to engage with other participants in our market. As anyone who has followed my LinkedIn profile knows, I'm a massive believer in the contributions of physical activity to mental wellbeing and workplace performance, so I'm looking forward to a wellbeing week that the whole investment team will attend. I invariably return from these events with aching muscles but rejuvenated mentally, which is hugely important against the backdrop of a demanding role and a booming market.

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▼ technology AI

Investing in the AI revolution

ust as the internet, mobile and cloud computing redefined how we live and work, artificial intelligence (AI) is emerging as the next major technological paradigm. Its ability to automate complex tasks and generate novel solutions is poised to fundamentally reshape industries and human society on a global scale. A recent trip to Silicon Valley and Seattle, where we met with leading technology companies across the AI ecosystem, reaffirmed our conviction that AI is still in its early days and poised to drive transformational change across many industries.

Nvidia's durable competitive edge

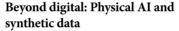
Nvidia is at the centre of today's AI revolution. We have invested in the company since early 2022 because we think that its leadership is built on a broad and deep competitive moat.

We highlight three factors that underpin Nvidia's edge. First is the company's relentless product cadence. Bringing new products to market on a clear annual roadmap allows customers to plan their computing infrastructure buildout with confidence. Second, its CUDA software platform has become the lingua franca for developers, creating network effects that make switching awkward. Finally, Nvidia's full-stack approach, from chips to networking, ensures performance and integration that competitors struggle to match.

Nvidia's most credible challenge currently comes from ASIC or "custom silicon" chips. Hyperscalers like Alphabet and Amazon are developing their own application-specific chips. Others like Alphabet and Meta are working in tandem with Broadcom to design chips that can handle large, repetitive workloads specific to their businesses.

However, we think that these solutions will complement rather than replace Nvidia's GPUs. Both the large training and inference markets for AI will rely upon GPUs, given the inherent flexibility in their design. In

practice, the hyperscalers are likely to balance in-house designs with merchant silicon, ensuring strong demand for Nvidia's products.



During our trip to the West Coast, it became clear that the AI story is no longer confined to chatbots and image generators. 'Physical AI' – robotics, autonomous systems, and humanoid machines – is emerging as a major driver of demand.

For physical AI to work, it requires reliable data. The problem is that collecting real-world datasets for rare events can take years, for example road obstructions for self-driving cars. Companies like autonomous driving startup Pony.ai are generating simulated driving data at scale, allowing AI models to learn from rare but vital scenarios without having to wait for real-world datasets. The prevalence of synthetic data reminds us about what Meta did after Apple's IDFA changes limited its access to user-level data. Meta reinvented its data infrastructure to power AI-driven advertising. The constraints accelerated innovation and Meta has become one of the leaders in AI.

We expect data issues to be a key hurdle for broader enterprise adoption of AI applications. While errors in a chatbot might be tolerable, mistakes in enterprise

systems can have major financial or legal consequences. This brings us back to a fundamental principle: AI can only be as effective as the data it is trained on. As enterprise AI grows, demand for tools that manage, clean, and structure proprietary data will intensify.



A structural growth story

The key takeaways from our West Coast meetings are clear. Demand for computing power is set to grow exponentially, custom silicon will likely coexist rather than replace current chips, the frontier of AI is expanding into robotics and autonomous systems, and technology that provides solutions to overcome data challenges currently causing a bottleneck will reap considerable rewards.

In short, we do not view AI as a passing fad, but as a structural growth story. The companies that provide the compute power, the data infrastructure and the applications to power AI will be at the centre of one of the most compelling investment themes of the next decade. That is why, for long-term investors, it is not about timing the hype cycle but about identifying the companies that are building durable competitive advantages within AI and working to

realise its potential.



Written by J Stern & Copartner, Giles Tulloch

In association with

J. STERN & Co.

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▼ VIEW FROM THE PPF: The PPF levy to be set at zero fo 2025/6

We recently announced that we'll not charge a conventional PPF levy for the 2025/26 financial year. This decision will save the 5,000 remaining DB schemes and their sponsoring employers £45 million.

When setting this year's levy, we included a provision enabling us to recalculate the PPF levy to zero if appropriate legislative changes were brought forward and sufficiently progressed.

Since then, the Pension Schemes Bill has been introduced with measures that enable us to move to zero levy whilst preserving our ability to reinstate the levy if we ever needed to in the future.

Recognising the bill's parliamentary progress and broad stakeholder support for the levy measures, we had sufficient confidence to exercise this provision for this year's levy. In doing so now, we wanted to give clarity to schemes as soon as we could.

We'll continue to support policy makers' consideration of the levy measures as the bill progresses through parliament and engage with stakeholders on our future levy plans.

Moving to a zero levy for this year marks

an important milestone in the PPF's funding journey and we recognise the important contribution levy payers have made over the past 20 years.

We're financially resilient, enabling us to make this decision while maintaining strong confidence in our ability to pay our members' compensation and protect the DB system long into the future.



PPF chief actuary, Shalin Bhagwan



▼ VIEW FROM PASA: Lost in translation; we need a communication revolution

Our industry has long been guilty of hiding behind complicated language. Phrases such as 'phased withdrawal crystallisation event optimisation' may be technically accurate, but for most people it simply means 'taking some of your pension'. This reliance on jargon creates distance between schemes and members just when clarity is most needed.

This matters more than ever as pensions dashboards approach. Soon, millions of savers will reconnect with lost or forgotten pension pots, potentially accessing their pension information for the first time in years. If they can't understand what they're looking at, we've spectacularly failed them.

Dashboards represents our industry's biggest communication test. When members rediscover old pensions, they'll need clear answers, not bewildering jargon that sends them running. It's in schemes' own interests to communicate effectively – frustrated, bamboozled members create unnecessary queries, complaints, and regulatory attention.

Our Communications and Engagement Working Group is working with our other groups to develop practical guidance on user-friendly communication, while our Digital Administration Group focuses on digital member engagement. Together, we're ensuring the industry delivers both accessible technology and comprehensible content.



PASA board director, Jonathan Hawkins



▼ VIEW FROM THE ACA: Revising the IHT proposals

We welcomed the opportunity to provide input to the HMRC technical consultation on the draft legislation to implement the government's policy to bring unused pensions funds and death benefits within the scope of inheritance tax (IHT).

We were pleased that HMRC listened to the feedback that the initial proposals for pension schemes to be responsible for paying IHT in respect of unused pension funds and death benefits were unworkable. The revised proposals still have some impact on pension schemes, with additional disclosure requirements and a new duty to

pay IHT directly to HMRC at a beneficiary's request where certain conditions are met. However, overall pension schemes will welcome the new approach.

We also welcome the change to the initial proposals which will exempt more lump sum death in service benefits from IHT.

The two key concerns we expressed in our response were:

• Financial dependants: the prospective worsening of provisions for financial dependants. Pension schemes have been designed not only to support members in retirement, but also their financial dependants following their death. We

welcome confirmation that the 'spousal exemption' will apply, but there needs to be wider exemptions for other financial dependants including for fairness aligning the treatment of DC/CB dependants with DB/CDC dependants.

• Timescales: The four weeks to value assets and three-week deadline for payment of IHT are unrealistic and simply unworkable for some types of assets – including those required to encourage productive investment.



ACA chair, Stewart Hastie

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▼ DB consolidation

Pensions consolidation – what is it and why is it beneficial?

Having spent the past six years working for two of the leading consolidators in the pension trustee market, Tom Neale, chief operating officer of Entrust, Gateley's pension trustee company, is uniquely placed to offer valuable insights into this rapidly developing market

s the expectations on trustees increase and governance standards for defined benefit (DB) pension schemes become more stringent, pension consolidation is becoming more attractive. So, what is pensions consolidation and what benefits will it bring to scheme members and sponsors?

Pensions consolidation is the process for managing DB pension schemes in a collective manner to realise efficiencies and cost savings. By appointing the same professional trustee and pension service provider to a number of schemes, tasks and projects can be undertaken across the portfolio as a whole with each scheme only meeting its proportion of the overall costs. This is especially beneficial for small schemes, which can access big scheme solutions for a small scheme price.

Consolidator models also increase governance standards for schemes. By way of an example, under The Pensions Regulator's new General Code of Practice, each DB pension scheme with 100 or more members has to undertake an own risk assessment (ORA). By undertaking one ORA across a whole portfolio, schemes with fewer than 100 members also benefit from the findings and output of the ORA. This might involve implementing process refinements

and governance improvements, which would not have been identified if the scheme was operated on a standalone basis, as an ORA would not have been undertaken. Schemes with over 100 members also benefit – as a matter arising on one scheme in the portfolio, which leads to risk mitigation processes being implemented, are picked up across the portfolio. In addition, the costs of completing the ORA are shared more widely.

From a sponsor perspective, the consolidator model also outsources the burden of day-to-day management of the scheme to the consolidator, allowing management to focus on the running of the business without having to grapple with legacy pension matters. The consolidator model offers flexibility, allowing sponsors to be involved as little or as much as they would like. At the lower end of the involvement spectrum, the sponsor need not concern itself with any matters outside the funding and investment strategy as part of the three-year valuation cycle.

Not everything is done on a collective basis though, and schemes still retain individuality which is vitally important when it comes to funding and investment strategy. Each scheme (via the trustee) and its individual sponsor will collaborate to set a bespoke funding and



investment strategy, long term funding objective and journey plans which align with the sponsor's corporate goals.

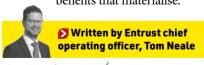
There are a number of consolidator models in the market, from 'master trusts' where all schemes merge into the same legal structure and the balance of powers in the master trust deed and rules is favoured towards the trustee, to operational platforms such as the Enplan Pension Platform (Enplan), where each scheme retains its own distinct legal identity and powers are more equally balanced between trustee and sponsor.

Platforms such as Enplan can help significantly reduce costs for individual schemes through the process of consolidation and running schemes collectively, allowing schemes to benefit from investment in innovative technological solutions that would not, in the normal course of business, be available, accessible or affordable for small- to medium-sized schemes.

Though a number of different models are available, the common theme is driving down management costs, increasing governance standards and taking the burden of pension scheme management away from the sponsors so they can focus on business success.

As pension schemes become more complex to manage and governance expectations increase, the argument for pensions consolidation becomes even more compelling. The more schemes that consolidate, the more

benefits that materialise.



ENTRUST

DC private market investment video interview ▼



Private markets never used to be considered suitable for DC scheme investment, due to their requirement for liquidity. However, lately private markets are starting to be utilised more within DC defaults. What has Aviva seen, and been doing, in this space? Our main DC default strategy, which is called My Future Focus and has £35 billion of assets under management, has been investing in direct property for many years.

Over the past three years we have been investing more in private markets to diversify that property allocation, with around a 10 per cent allocation across private credit and infrastructure, as well as property.

We have also launched a new solution called My Future Vision, which will take a major step forward when it comes to investing in private markets, in terms of the scale and sophistication.

What is different about My Future Vision compared to what's already out there in the market, to help provide customers with better outcomes at retirement?

There are three main areas in which My Future Vision is different to a lot of the default strategies that have come to market in recent times. The first one is its level of private market investment. My Future Vision will have between 20-25

Private markets – a growing presence within UK DC

▶ Laura Blows discusses the role of private market investment within DC schemes with Aviva director of investments, Maiyuresh Rajah

per cent invested in private markets, depending on where a saver is on their journey to retirement, which is a significant increase to what you normally see in DC default strategies.

Currently, what you see with a lot of DC default strategies is private market investment primarily within the growth stage of a customer's journey to retirement.

What we are doing is looking to provide better outcomes for all savers by investing in private markets throughout that journey.

The way we are doing that is by investing directly into individual funds across those private market assets – private equity, private credit, infrastructure and property. That is instead of investing in, for example, a multi asset, single fund, which will have fixed allocations to private markets.

The third area where it's different is our multi-manager approach. Rather

than having a single manager or two managers who may struggle to deal with the complexities of private market investing, we are using a best-in-class approach, working across the board with a number of managers.

Normally, most DC defaults use a single multi-asset fund to get their exposure to private markets. Why has Aviva taken a different approach, and what are the benefits of doing so?

Most DC default strategies do use a single, multi-asset fund. What that means is that they have fixed allocations to those private markets, and will generally focus just on the growth stage when it comes to which customers can have access to those private market investments.

What that means is that the proportion invested into different private markets cannot be changed, and neither can it be changed across different times of a member's journey to retirement.

So, what we're looking to do is invest in individual funds across those private markets. That allows us to change the amount we invest in each of those private markets and take into account the evolving risk a customer faces as they approach retirement and into retirement.

For example, if a customer is in the growth stage, we want to focus on returngenerating assets to maximise outcomes for customers. For this, we may want to invest more in things like private equity.

Once that customer gets to the end part of that growth phase, we still want to focus on return maximisation, but also want to start thinking about protecting the portfolio from significant negative market events and so will look to invest in a more diversified mix of private markets.

Finally, as the member approaches retirement, and is in retirement, we want to invest in the less risky side of the private market spectrum and think about asset classes that will provide a stable income, such as private credit.

Why is Aviva taking the time and effort to partner with multiple managers within each different private asset class – what benefits does it provide for the end member?

Private markets is quite a difficult asset class to invest in. You need the expertise and the knowledge, to be able to provide positive and repeatable outcomes for customers, which is difficult for any single manager to do.

Therefore, we are using the expertise of our in-house asset manager at Aviva Investors, but we are also partnering with five additional external managers who are well known for their investment capabilities in private markets.

That means we can invest in different managers within each private market asset class.

So within private equity, we use two asset managers with different strategies – and so as a simple example, on one hand we can focus on secondaries, which can give us a quicker return on

investments and early cash flows, while on the other hand, we can also focus on co-investments, which gives us access to high conviction opportunities with potentially much higher upsides.

▶ I believe you adopt a global focus to private markets – what geographies are you investing in and how does that tie in with the Mansion House Compact and Accord that Aviva signed up to?

We have a global focus with this solution as how we invest is determined by delivering the best outcomes for our customers.

We are diversified across regions, which gives us the opportunity to select the right investments within each asset class. Our private market investments will be in the UK, Europe, the US and the rest of the world.

From a UK-specific perspective, we will have between 5-6 per cent in private markets in the UK. So that aligns well with the Mansion House Accord when it comes to investing in the UK. The other aspects of the Mansion House Accord and Compact are around pension defaults investing 10 per cent in private markets as a whole, and 5 per cent in private equity. The private market allocations will be higher than those ambitions within My Future Vision.

E I believe you were in Australia recently, seeing what it has done with respect to private market investments, for instance, having allocations of up to 40 per cent in certain superfunds. Do you see the same future for the UK with respect to the level of private market investment allocation?

In the UK, we're starting to invest more in private markets but to get to the 40 per cent level I think will be challenging.

The more you invest in private markets, the higher the cost of the fund. However, there is a lot of conversation at the moment about moving from 'cost' to 'value', and the government is committed

to introducing measures that will help that move to value.

The other area is liquidity. In Australia, they don't generally have the challenge of large schemes moving assets from one provider to another, so they can leave their assets invested in illiquid funds and continue to invest in those over time.

While over here, we do have large schemes moving funds, so we need to make sure there is enough liquidity to handle those types of moves.

The last thing to point out is the journey that Australia has been on. Australian superfunds started investing in private markets about 20 years ago, and that was at a time when the government in Australia was privatising a lot of its assets. Therefore, they were able to get into infrastructure at very competitive prices and receive a very good return on investments.

Other countries trying to replicate Australia's private investment example is obviously difficult because of the specific journey that Australia has been on.

However, Aviva's new My Future Vision solution is investing 20-25 per cent in private markets, which is moving the needle quite significantly in terms of private market investing.

The way we're approaching this solution is using the resources of Aviva, Aviva Investors and five other external asset managers, to give us the knowledge and expertise to invest in private markets most effectively. Hopefully this solution will be a major step forward for DC pension schemes investing in private markets.

This is a shortened and edited transcript. To watch the video in full, please visit pensionsage.com

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news & comment round up ▼

Soapbox: The funding code one year on – progress or paperwork?

The 1 October marked the one-year anniversary of my arrival as a reporter in the pensions industry.

It has absolutely flown by, and over the past 12 months I've met some great people, indulged in an unhealthy number of croissants at conferences and events, and (I think) finally got my head round most of the pension jargon.

Another anniversary that perhaps will be more widely discussed in the sector is the recent first birthday of the DB Funding Code, which came into force on 22 September last year.

The new regime was designed to encourage long-term planning and risk management through formal Funding & Investment Strategies (FIS), reduce employer dependency as schemes reach 'significant maturity', and introduce tools such as the 'Fast Track' pathway for quicker compliance.

But one year on, the sector remains divided on whether the code represents genuine progress – or just more regulatory box-ticking.

The crux of the debate is that UK DB schemes are currently reporting record surpluses.

Average funding levels have risen to 105 per cent, and nearly two-thirds (65 per cent) of schemes are now in surplus.

This marks a significant turnaround from three years ago, when 58 per cent of schemes still required recovery plans.

On the surface, this is good news, but it also raises the question of whether the code has already outlived its original purpose.

What was once intended to address weak funding positions now risks looking out of step with healthier balance sheets.

This begs the question – has the regulator built a sledgehammer to crack a nut?

Aon associate partner, Emma Moore, has highlighted this tension. While



most schemes are in a stronger position than when the code was first proposed, she noted that the baseline for funding standards has been raised both before and since its introduction, meaning most schemes have been able to continue with existing practices and remain compliant.

However, she warned that "there is a minority for whom the new regime has meant more significant change", particularly more poorly funded schemes.

For these, she warned, the code has "done little to improve the situation".

TPR insists that the code is about long-term planning and protecting members – a sensible goal.

In its first Annual Funding Statement under the new regime, the regulator acknowledged that the landscape has shifted, stating that "most DB schemes are now in surplus, both on technical provisions and, for many, on a low dependency basis".

The code, it said, should encourage trustees "to move their focus from deficit repair towards long-term planning for endgame, including buy-ins, buyouts or cashflow matching".

Yet in practice, many trustees fear scheme-specific judgement is being squeezed out.

Trustees who had been using innovative approaches to funding and investment now face a one-size-fits-all framework that risks discouraging creativity.

Indeed, research from Hymans Robertson found that more than half (51.6 per cent) of DB pension schemes view regulation as the greatest risk to their endgame strategy.

And Association of Consulting Actuaries (ACA) chair, Stewart Hastie, has argued that a pragmatic new regime for DB surplus release – and a new regulator code to support it – is needed "sooner rather than later" to drive behavioural change.

Timing is another issue.

Schemes are implementing the code at the same time as they grapple with environmental, social and governance (ESG) requirements, cyber risk, dashboards and a raft of provisions in the Pension Schemes Bill.

Layer too many expectations on top, and something must give – likely in the form of smaller schemes being pushed towards consolidation, whether they want it or not.

One thing is for sure: Trustees do not need more red tape for its own sake. What they need is proportionate guidance that respects judgement and helps balance prudence with practicality.

Soapbox columns might not be the forum for policy solutions, but here's one anyway.

For the code to succeed, it must evolve quickly into something genuinely principles based.

Trustees should be trusted to make good decisions, with the regulator stepping in only where there is evidence of neglect.

Otherwise, we risk creating a culture of compliance for its own sake – and losing sight of the very people this code was meant to protect: The members.

One year on, I'd consider the anniversary of my arrival into pensions a happy one. For the DB Funding Code, it's been a bumpier ride. But hopefully its second year will see a more harmonious

relationship between the code and pension trustees.

Written by Callum Conway

▼ DC decumulation

From DC pot to paycheck: Turning savings into income for life

▶ Phoenix CIS head of corporate investment services, Jess Williams, shares how her team helped deliver a UK first for DC master trust members – supporting TPT Retirement Solutions in launching its 'Managed Income for Life' default decumulation solution

the project and what made it so important?
Absolutely. TPT Retirement
Solutions had a clear vision – to
offer DC Master Trust members a way
to move seamlessly into retirement and
start drawing an income, without complex
decisions. Their new 'Managed Income for
Life' solution enables income drawdown
directly from Target Date Funds, with no
need to switch products. It's designed to
help members manage risks like inflation,
market volatility and longevity, while
keeping things simple and sustainable. We
were thrilled to help make that happen.

ess, can vou tell us a bit about

What was Phoenix CIS's role in bringing this to life?

We're TPT's investment platform provider, so our job was to make their concept operational. That meant working closely with TPT, their investment manager AllianceBernstein, and their administrator to implement the changes needed to support income drawdown directly from their default Target Date Funds. It was a big shift – but one we were excited to support.

What were some of the challenges you faced?

A key challenge was enabling income payments from the Target Date Funds

without moving assets off platform or involving a separate drawdown provider. The solution is part of TPT's wider DC digitisation programme to transform the member experience, so it was vital we could support large-scale change for a seamless journey through accumulation and into decumulation.

How did you go about solving those challenges?

It was a very much a team effort. We worked with AllianceBernstein to onboard the income-paying Target Date Funds and set up new operational processes for monthly income payments. We also ran a 12-month programme of system testing to ensure everything was ready for launch. Partnering with TPT and their administrator, we aligned our systems and processes – lots of walkthroughs, problem-solving and knowledge sharing to ensure everything worked smoothly.

What does this mean for members now?

It's a real step forward. Members can now transition into retirement without switching funds or making big decisions. They stay invested in the same strategy and receive a regular income that's managed and reviewed annually. There's inflation protection, diversification and flexibility built in – including the option to convert savings into a guaranteed



Phoenix CIS Head of Corporate Investment Services, Jess Williams

annuity later, withdraw, or switch to a different drawdown product if they prefer. It's about giving members confidence and control, without complexity.

This sounds like a major milestone. What does it say about Phoenix CIS's approach?

I think it shows how committed we are to working in partnership with our clients. We don't just provide a platform – we help deliver solutions. We're handson, collaborative and always thinking ahead. I'm proud that we could support TPT in delivering something genuinely innovative and member focused. It's a great example of what's possible when you bring together the right people, the right technology and a shared purpose.

Looking ahead, what's next for Phoenix CIS?

We're continuing to help clients develop future-ready retirement solutions, balancing flexibility and certainty. Alongside drawdown, there's growing interest in smoothed funds, which help manage market volatility while supporting long-term growth. The retirement space is evolving quickly, and we're excited to help schemes adapt. Ultimately, it's about better member outcomes – and we'll keep supporting that.

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Pensions Age Autumn Conference highlights: 16 September 2025, London

This year's Pensions Age Autumn Conference, led by seasoned pensions expert, Robert Branagh, brought together hundreds of prominent figures from across the UK pensions industry to discuss some of the hottest topics on UK pension schemes' agendas today.

The one-day event, held at the Hilton London Tower Bridge, featured leading speakers, representatives from key associations, trustees, and advisers, delivering a day rich in fresh perspectives and essential knowledge for everyone involved in the UK pensions sector – both now and in the years to come



Reflecting on two decades of the Pension Protection Fund (PPF) and the future that lies ahead

"Over the past 20 years, the PPF has done what it set out to do – it is one of the few success stories of the past few decades; it finds itself in a very healthy position today and this has set us up well to protect the DB universe over the next 20 years.

"The levy has also reduced significantly in recent years – and we acknowledge that many levy payers would like to see a zero levy going forward, plus we also know a lot of the burden falls on a small number of

very large schemes.

"Risks do remain, and whilst the past 20 years have been a rollercoaster, it's never easy to predict the future." PPF chief actuary, Shalin Bhagwan

On the Pension Schemes Bill

"Does the Pension Schemes Bill represent evolution or revolution? A bit of both. There will be profound and comparatively rapid change for the local government pension scheme and a large part of the DC market. For DB, the measures in the bill are less extensive, but in the right



circumstances they could be helpful to some. But what stands out most to me as a lawyer is the strongly interventionist new flavour of this bill, backed by strong regulations and strong powers by the regulators – this is law that's forceful and urgent.

"I also think it's an incomplete package – an overall successful pensions policy is going to involve addressing a number of key challenges that the bill simply does not cover.

"Practical next steps? Keep an eye on the bill; use the roadmap to start planning











your long-term agenda; consider the strategy implications it could have for all of us; and make your voice heard, if you have strong views."

Sackers partner, Andy Lewis

On the changing landscape for DB pensions

"What innovations are we seeing for small schemes? Quite a lot actually. We have a solution that uses a number of building blocks, whereby you can vary risk and return objectives, depending on whether you are aiming for pensions risk transfer or want to run on; with a central building block, an 'integrated LDI' pooled fund which hedges interest rate and inflation risk – it manages the governance process for you, it borrows some of the techniques that were previously only available to larger schemes, such as credit repo, and has a diversified portfolio of credit assets in it too."

BlackRock head of the defined benefit relationship management team, Andrew Reid

On how to treat surplus extraction – is it time to invest like an insurer?

"What are our key messages from today? One is around the importance of updating your liability cashflows – we are seeing a lot of clients doing this today, making sure that their primary objective,

which is to pay pensions, can be met; secondly, invest like an insurer, that really does sit at the heart of what we do – but at the same time take advantage of the benefits that pension schemes have over insurers and why pension schemes can be different, take advantage of that flexibility and optionality that gives the pension trustees; and finally be ready to pivot to buyout should



you need to – which many regard as that gold standard."

L&G head of solutions distribution, Lara Edmonstone-West, presenting with head of endgame solutions, Mathew Webb

On BPAs and endgame planning

"There are more endgame options than ever before, which is a good thing for schemes – as it means more choice; however, member security must remain the guiding principle. Bulk annuities offer a proven, policy-aligned solution. Meanwhile, government policy is also accelerating and influencing the endgame.

"Support for productive finance is also reshaping the landscape. There was some interesting research done by the ABI in February, looking at where annuity providers invest compared to DB pension schemes, and for annuity providers, 65

per cent of their investments are in the UK already, which compares favourably, from the government's point of view, with DB schemes at 55 per cent."

Standard Life BPA transaction manager, Alex Oakley

On whether pensions dashboards are hitting the mark

"How do we get operationally ready to work with and support those savers who haven't previously been engaged with their pension? Who are re-connecting with lost pensions after a period of time?

"We forget sometimes that pension dashboards are all about savers as we are so wrapped up in the tech, and all the other things that we talk about, but they are there to re-engage people with pensions, and re-connect savers with lost pensions, that's what we are doing this for. So let's go back and start re-thinking about how savers might react to pensions dashboards – that absolutely has to be at the heart of being operationally ready for the dashboards."

WTW senior consultant, Geraldine Brassett

On buy-in to buyout

"Whilst I would like to talk to you today about buy-in to buyout and what steps schemes can take, it should really be about

> what steps schemes should already be taking. And it doesn't matter what your journey is, what your plans are, where you want to go – do you need accurate data? Yes!

"But having accurate, reliable data is not new.

"What we really need to do though is understand what our data is – what does it look like? What does it tell you?



autumn conference review v

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What does it give you? What can you do with that data in the current state it is in?

"Also, ensure that the process for reviewing your data is fit-for-purpose, whatever that purpose is; improving data quality isn't just for buy-in or buyout, it is for everything you are doing and it will enhance your members' experience; and make things a lot easier and efficient."

Lumera head of bulk annuity solutions, Samantha Chandler

On modernising retirement

"Most people will spend more time planning and prepping for a holiday than preparing for their retirement. They find it boring. How can we make the process a bit more modern? A bit more inclusive?

"Retirement saving is stuck in the past. The room make-up at conferences such as these has changed over the years, and so

has your membership – we are now a diverse, digital audience but we are very disengaged. What's the result of that? Inequality, confusion, and missed chances and opportunities.

"Use smart tools, use AI, but don't lose the human touch – do not expect AI to revolutionise the way you are communicating – it is not going to save you loads of money, but what it will do is help you communicate to your members, at scale, in more of a personalised and segmented manner." Gallagher strategy partner, Shaily Sodha

"How can AI when paired with a human touch, drive inclusive communications and the outcomes that we need? How can we drive value from AI, not just in the pensions industry but across the whole workforce?

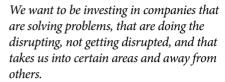
"The main missed opportunity is to think about how we can simplify, not complicate. Where can we automate? Where can we surface insights at the right time, within the right guardrails, with the right governance, to reduce risk?

"With all of our clients we are faced with the same question of where can we use AI to create value and support us, rather than make things harder." Gallagher AI transformation director, employee experience, Sonya Poonian

On J. Stern & Co's World Stars Global Equity strategy, which aims to deliver long-term capital growth through investing in a concentrated selection of high-quality, large and mega-cap companies

"Stock can be as cheap as it wants but if it doesn't fulfil our criteria, we will not invest.

"Sustainability and growth are critical.



"We also think that managements are very important.

"We also believe in the strength of balance sheets because it's the strong balance sheets and cash generation that allow you to act and not have to react. Because it's the debt that will get you in trouble, whether you are an individual or company – or country, for that matter."

J. Stern & Co co-founder, managing partner and CIO, Christopher
Rossbach

On how technology will change pensions and retirement

"As we think about member interaction and the member journey, and the challenges around people not engaging in pensions in the traditional sense, an area we are interested in is the use of AI agents.

"We are going live next month with free conversational chatbots for a large UK pension scheme that will effectively seek to be the primary interface with pension scheme members for all of their initial queries.

"The agents will be trained on all of the scheme documentation, trust deed and rules as well as all of the statements over

the years, all the newsletters.

"So any piece of data that the member would ever receive from the fund for the past 10 years, the bots are being trained on and effectively you can have a chat with it, ask a whole bunch of questions. Things like 'can you tell me about which scheme I'm in? Can you tell me how I make sure my dependents have enough money when I die? How can













I save more?' All of these sorts of things you'll be able direct conversation with the chatbot."

EY UK head of pensions consulting, Paul Kitson

On the global rise of Britain's oldest auction house

"What I hope to offer some clarity on today is explain to people, whether institutions or in a personal capacity, why some private individuals basically treat the collectables market as a self-invested pension – something to fund their retirement, whether they draw down a pension; and why it is something that the younger generation is now looking at to try and diversify their assets.

"Where is the marketplace going? The simple answer to that is, anything can become a collectible – we've been seeing the rise of collectable vinyls, comics, trading cards – anything that has cultural resonance can become a collectible.

"For example, after the Second World War, when the British Empire was crumbling, there was a boom of stamp collecting because people wanted to understand what was happening to the world around them, and we're seeing very much that same approach happening now. People want to gain control back."

Spink head of numismatics, Gregory Edmund





On DB consolidation

"Fundamentally I think it's really important that, as people who offer consolidation, we get out and about and tell people it exists – it is adding value to schemes today; there are schemes that are in consolidators that are doing very well, achieving all the things that you would want to be achieving.

"Is it right for every scheme? No – I am not going to sell consolidation to every person in the room. But it is an established market – there are new entrants coming in; there is lots of choice; and lots of different ways that you can do this.

"What next? We are in a developing market with plenty of talk about surpluses, run-on, how things are going to change, and it is important we consider the role consolidators will play in the market. I do think there is a market for more of

the same – there are still a number of schemes who aren't fully funded who could benefit from the efficiencies we could bring them."

Entrust/ Gateley trustee director,
Tom Neale

On why pensions dashboards are the springboard to the future "There has already been an impact on the industry from the work being done on dashboards – dashboards is forcing trustees to really tackle their data debt – the legacy issues, the accumulation of data issues that has happened over time; and we can already see this impact in our research.

"At the regulator, we have always been big fans of dashboards, because we see the potential to be truly transformational for savers but also for industry because it is forcing a focus on data and technology; and it is having wider benefits than just dashboards.

"Where dashboards are the beginning of a journey towards a data digitally enabled, innovative pensions industry; dashboards are the springboard to the future."

Lucy Stone, Pensions Dashboards Lead, The Pensions Regulator



innovation support regulation ▼

Reimagining pensions

With the launch of its Innovation Support Service, The Pensions Regulator has begun to position itself no longer as simply an enforcer, but an enabler of change. Sophie Smith takes a closer look

or decades, the pensions industry has been rooted in tradition, with regulation centred on stability and security. Yet, the demands of a digital-first economy, shifting employment patterns, and evolving saver expectations have exposed limitations.

Against this backdrop, The Pensions Regulator (TPR) has begun to position itself not simply as an enforcer, but as an enabler of change. Its recent foray into innovation support – via hackathons, workshops, structured problem-solving and the launch of an Innovation Support Service – is set to push the industry out of its comfort zone.

Repositioning regulation

TPR head of innovation and design practice, Marion Lean, makes it clear that the regulator is aiming for something more ambitious than rhetoric with the launch of its new service.

"With industry's help, we're building an exciting new blueprint for innovation in workplace pensions. Buzzwords? No. This is a shared and real commitment to doing things differently," she insists.

"One of the most powerful shifts we've made at TPR is moving towards designing our regulatory approach with the industry, and not just for the industry," Lean explains. "That's why our innovation events are built around codesign – which puts collaboration at the heart of problem-solving...We're not here to tell people what to build. We're here to create the space where the best ideas can emerge, be tested, and, if they work, scaled to benefit savers."

This framing matters. For a sector often wary of regulatory burden, the

promise of collaboration rather than instruction is a notable change.

The influence of industry insight can be seen throughout the service, as Lean says: "All of the service offers have been designed in response to the needs of the industry, including the focus areas.

"As we are in the early stage of the journey, we are interested in hearing about innovation across the board as we learn about and develop approaches to specific subject support for industry innovators. As we develop the service we are interested to learn from innovators in industry (and outside of pensions) about what types of themes we can support through future events."

Lean is also keen to emphasise that this is not a superficial exercise. "We're not just running events for the sake of it," she says. "We're using them to test new approaches, hear different perspectives, and challenge ourselves to think differently".

Still, questions remain. Can a regulator, by definition tasked with control and compliance, credibly act as a catalyst for experimentation, particularly in an industry where saver security is a front and centre concern?

And can it do so without being

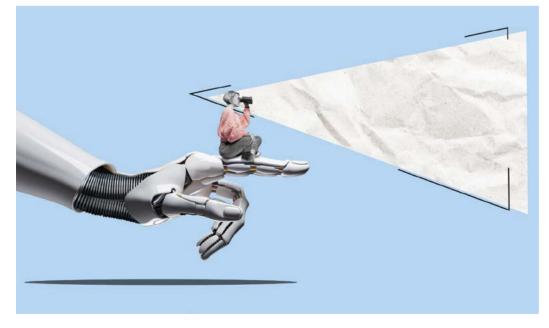
accused of favouring certain approaches or firms?

From hackathons to hard outcomes?

The ideas generated so far highlight the creative potential in the sector: A flexi fund for the self-employed, AI financial advisers, and joint pension visibility tools.

But while the hackathon model has generated excitement, the critical step will be scaling prototypes into viable, regulated products.

TPR's stated ambition



✓ regulation innovation support

is to create an environment where experimentation is not penalised but encouraged.

As Lean puts it: "We're working to build the conditions for greater creativity, risk-taking and influence. That means giving people permission to try new things, to fail fast, and to learn quickly. We need to be brave enough to ask different questions, bold enough to try new approaches, and collaborative enough to work across boundaries."

Such language is more commonly associated with fintech start-ups than regulators – and it represents a shift that will require careful management. For trustees, the message is clear: Innovation is encouraged, but accountability for member outcomes remains absolute.

Guiding principles

And the importance of member outcomes has been made even clearer in TPR's seven design principles.

Created in collaboration with industry at TPR's recent event, the seven principles centre on saver needs, impact and evidence, inclusion, sustainability, transparency, responsible technology use, and continuous feedback and iteration.

"These design principles aren't just for TPR – they're for the whole industry," Lean stresses. "We want these principles to be a shared compass for the sector, guiding how we design, test, and scale ideas that can improve savers' lives."

On paper, the principles strike a sensible balance between ambition and caution. They acknowledge the promise of AI and digital platforms but also highlight transparency and trust – qualities often in short supply when financial services attempt radical change.

TPR is also alive to the need for continued evolution in future, as Lean admits that "principles on their own won't change pensions. It's how we use them, test them, and refine them with the industry that will make the difference."

Translating such principles into

day-to-day decision-making is far from straightforward though. As schemes face pressure on costs, governance, and compliance, will these aspirations survive contact with commercial reality?

will many in

A welcome step or symbolic gesture?

By offering early engagement with regulators, the service is intended to remove uncertainty and provide reassurance to trustees and providers exploring new ideas.

The hub offers a dedicated space for testing new concepts in a semi-sandbox environment, signposting the industry to easily engage with the regulator on ideas for innovation as early as possible.

For many, this is the clearest signal yet that TPR is serious about embedding innovation within its oversight.

A warm, but cautious, response

Industry reception so far suggests that the appetite exists. "We have had a steady flow of applications since the launch in May," Lean says.

"It has been really exciting to hear from the industry and, through our test and learn phase, develop ways of working to support the industry through these expert-to-expert discussions."

Trustees and providers appear

reassured by TPR's willingness to endorse experimentation. One participant described TPR's involvement as a "reassuring nod" that could embolden trustees to invest in innovation.

However, enthusiasm remains tempered by realism.

Hackathons and guiding principles are important, but pensions are judged by outcomes, not ideas.

Industry leaders know that innovation must survive the realities of legacy systems, complex governance, and an ageing saver base that is not always digitally literate. The success of TPR's initiative will therefore depend not on how many industry events it hosts, but on

whether the projects it seeds deliver measurable improvements for members.

Promise meets pragmatism

The landscape is shifting and the regulator's new posture signals that "playing it safe" is no longer the default expectation.

Schemes and providers will need to demonstrate that they can adopt test-and-learn approaches to meet members' changing needs, while TPR must tread a fine line between encouragement and impartiality, ensuring its support does not morph into endorsement or bias.

"We want to help the industry become more creative, more confident, and more connected," Lean says.

"We want to share what we've learned – and learn from others. And most importantly, we want to make sure that innovation in pensions is driven by the people it's meant to serve: Savers."

But the distance between innovation theory and practical pension reform is wide, and while TPR has set the tone, the industry carries the weight of execution.

Written by Sophie Smith

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▶ Pensions administration and AI: Is it just a patch?: Isio highlights how the human touch must not be lost when integrating AI solutions into pensions administration p48

The evolution of pensions administration: Isio partner, Girish Menezes, and senior solutions consultant, Ian Wort, speaks to Pensions Age about the key changes occurring within the pensions administration sector **p50**



administration focus v



rustees have been captivated by the opportunities offered by artificial intelligence (AI), robotics and related technology. They are rightly demanding more from their pension administrators. But could this come at the risk of losing the people-first approach that has always sat at the core of our exceptionally complex pensions industry?

Trustees face a perfect storm

Trustees' duties go far beyond statutory obligations. They have a duty of care to members – to support them at crucial times in their lives. They must be prepared to meet new regulatory demands, while also managing large-scale scheme transformations.

They are faced with expensive GMP equalisation projects, the requirement

Isio highlights how the human touch must not be lost when integrating AI solutions into pensions administration

to connect to pensions dashboards and increasing pressure from the regulator to enhance their levels of oversight. Adding to this complexity is a resource crunch of experienced administrators who understand our complex pensions arrangements. The 'typical member' is also changing – demanding self service and on demand apps. Is AI that secret sauce that will solve all their problems?

Amid this perfect storm, is there a unique opportunity for fresh thinking – a chance to reshape how trustees can deliver a high quality of services to their members?

The traditional approach to technology AI does have the power to revolutionise

every aspect of how we work. There is a risk, however, that the pensions industry views it primarily as a way to cut costs.

Just as offshoring can reduce overheads without improving service or satisfaction, so AI can automate processes and interactions without benefiting members. The resulting experience is self-service, transactional and lacking empathy. It's like navigating a maze full of sharp angles and dead ends, with your destination obscured from view and human assistance hard to come by.

A new perspective on AI

There is, however, a different approach. Rather than viewing AI as an end in itself, one can use AI to analyse the

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huge volumes of data it holds, including the timing and nature of member interactions. This gives us priceless insight into what members need and when they need it.

"We've looked at tens of thousands of communications across a range of clients," says Isio senior admin solutions consultant, Ian Wort.

"The understanding we've gained is the foundation of how we design and resource scheme administration. We don't wait for members to hit a wall; we accompany them on the journey, predicting their needs and explaining their progress along the way."

Putting people first

Employing AI in this human-first way means that people come first.

"We use the technology, alongside behavioural analytics, to understand members, so we can support them at key moments," adds Isio head of administration, Girish Menezes.

"We focus on what they need – encouragement, reassurance and guidance – as well as their specific requirements, such as retirement estimates or scheme updates. This could result in us building an AI-powered ChatBot, or in fact advise redesign of our telephone handling training."

Isio's AI-driven research shows that around 20 per cent of enquiries are best dealt with by members speaking with a knowledgeable adviser. So, rather than putting obstacles in the way, we need to make it easy to identify these interactions and connect the members with a trained administrator, who will support with empathy and expertise at the times it is needed most. Administration colleagues can help members tackle complex situations – career change, retirement and even bereavement – when they are at their most vulnerable.

Technology that augments

Data analysis shows members want

empathy, honesty about timeframes, and accessible updates, rather than cold transactions. Eight per cent of these member enquiries relating to routine matters can be dealt with, often pre-emptively, by the right sort of communication and interaction.

We need to use the latest technology to deliver the efficiency and value that every scheme requires but never forget that people are at the heart of our service. Expectations of user experience should not be based on the pension industry. We need to benchmark ourselves against the very best consumer digital experiences. Friendly updates and prompts are delivered on your preferred platform, as and when you need them. Dashboards sharing key information at a glance. After all, why shouldn't managing your pension be as seamless and intuitive as ordering a pizza or booking a flight?

Redefining pension perspectives

At Isio, we keep three words in mind when we're analysing and developing member experiences: 'Thoughtful', 'human' and 'timely'. As an example, we are exploring a 'voice-first' experience across all devices, apps and platforms.

Here, members would simply speak their question or request – at which point they'll be guided to the solution they need. Ways to connect directly with support staff will be clearly signposted, and we'll know exactly when to preemptively offer support, thanks to datadriven, personalised insights.

"Interactions should be friction-free," explains Wort. "We want to take away barriers to people being able to do what they want to do, however they choose to contact us."

It's all part of Isio's commitment to redefine not just members' experience of their pension, but their relationship to it. From intimidating, confusing and boring, to understanding, clear and engaging. It's how we're generating better outcomes for everyone.

Giving trustees the information and control they need

It is not just members who should benefit from this human-first, tech-augmented approach. The same combination of understanding requirements and maximising the power of AI enables us to inform and empower trustees like never before.

"Trustees are often bogged down by repetitive compliance and reporting," states Menezes. "Live reporting, customisable dashboards and bespoke reports are all part of a new experience that gives trustees the information they need, how and when they need it."

Additionally, data around compliance, stewardship, engagement and operations is constantly updated, highlighting trends and key metrics – meaning trustees can make strategic decisions with clarity and confidence.

Wort is clear about the necessary first steps: "Trustees need to get the nuts and bolts right: benefit specifications, clear trust deed lineage, proper governance, and clean data. We support schemes with these fundamentals that are essential when creating a truly friction-free member experience."

Which path will you take?

Every scheme faces a journey of technological transformation, but the destinations vary widely. The choices taken now, at the early stages of development, will define the shape of a scheme for years to come.

It is a daunting time, but an exciting one. For those trustees ready to explore a new vision for pensions administration, it is also a time of unparalleled opportunity.

Visit stand B30 at the Pensions UK Annual Conference or visit isio.com.

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dministration has long been considered an overlooked and underappreciated area of the pensions industry. Is that still a fair description, or is it now getting the recognition it deserves?

Girish Menezes: The perception of pension administration is definitely changing, for three key reasons.

One is the members themselves. Members are demanding more. They're getting better experiences from their banks and so they are expecting much more from their pension schemes. Trustees are having to step up.

The second is the number of recent projects, such as GMP equalisation, dashboards and buyouts, which require more involvement from administrators. Therefore, administrators have to be involved right at the outset in terms of strategic decisions and timelines. That has given pension administration a seat at the table.

The third is the regulator, which has definitely stepped up its focus on the governance of trustees and pension administration. It is focused on data quality, investments in technology, and investments in people.

Bottlenecks, or capacity crunches, are regularly cited as a concern for pension administrators, as they grapple with additional projects, such as preparing for dashboards, while still delivering business as usual (BAU). How are administrators responding to this pressure?

Ian Wort: Bottlenecks and capacity crunches are a regular concern for trustees and other advisers navigating these strategic projects. We think administrators are taking three different approaches to cope.

First is investing in automation and process improvement – speeding up BAU administration such as retirement quotes, address changes, and expression of wishes forms to free up administrators' time for



Isio partner, Girish Menezes



Isio senior solutions consultant, Ian Wort

The evolution of pensions administration

▶ Isio partner, Girish Menezes, and senior solutions consultant, Ian Wort, speak to Pensions Age about the key changes occurring within the pensions administration sector

strategic projects. We want our experienced people – and those we're training – to focus on members and on complex tasks.

Second is an increased focus in apprenticeships and training. We know there's a general resource crunch within pensions. Therefore, can we build and grow our own administrators – the next generation – learning from experienced administrators who may now be approaching retirement? We are investing heavily in apprenticeships and structured training.

Third is offshoring. That's always an option, but it can't just be a 'lift-and-shift'. Moving poor quality data and processes to a lower-cost location doesn't benefit anyone. We have to ensure it's done properly.

How are administrators using new technologies to assist with their roles?

Menezes: Artificial intelligence (AI) has already transformed our lives. People forget — for example, when we license a telephone answering system, it's already AI-enabled. Then you've got content management systems. The moment you store member documents in a repository, AI is switched on – you can search by keywords, criteria – so AI is already integrated into our lives.

The second thing is the so-called 'gold rush'. Organisations are saying: "Can I use AI for benefit specs? Data cleaning? Reporting?" We worry that people see AI as an objective in itself, rather than as a tool. But in reality, it's like in your personal life – you use it to analyse, to search. That's how we approach it.

For example, Ian and I know we're sitting on a vast treasure trove of data, such as processes, member interactions, requirements. So, we're using AI to analyse it, and we've gained priceless insights into what members actually need – not what we think they need.

They want encouragement, reassurance, guidance. It's not just about getting a retirement quote – they want to be supported as human beings through that process.

One note of caution: There's a lot of 'AI washing'. The USA's Securities and Exchange Commission has flagged it as a problem. Companies overhype their tech, use legacy systems, and call it AI. Or they implement AI that doesn't work properly, like those frustrating call centres where the AI keeps looping you around.

Ultimately, AI is only as good as the strategy that sits behind it. And for it to work, you need clean data.

Ensuring data quality has been a perennial issue for pensions administrators, and with pensions dashboards coming up, it's more vital than ever. How can new technologies help administrators tackle this issue?

Wort: My observation is that there's often a stark difference between a trustee saying, "Our data is really good," and what we find when we analyse it.

We're now using enhanced tracing and ID verification functions to support administration firms with common data elements, which is especially relevant for the pensions dashboards.

Verification will be essential to access dashboards so the pensions industry should be using the same level of rigour – to ID people properly and use that information to improve data quality.

Now, the easy part is things like names and addresses. The harder part is scheme-specific data. That's more difficult, especially with legacy administration over 20, 30, 40 years.

AI and robotics can help. They can harvest data from member files, but that

means digitising. That's our first message to any trustee: If you've got paper files sitting in a castle in Scotland, they need to be scanned. There's so much valuable data in those archives. Digitising is critical – there's no longer a legal need for paper files. Digital has the same contractual value. We can then use AI and robotics to pull out information, validate, and enhance the data.

"Administrators have to be involved right at the outset in terms of strategic decisions and timelines"

However, it is important to remember that AI is a catalyst, not a cure. AI-driven validation tools need trustee investment – not just in tech, but in people, because people understand the data. You can't just tell AI, "fill in the blanks" as you don't know what it will find, what it will update.

So, trustees need skilled staff and robust processes, with ongoing audits.

For a long time, there was pressure on administrators to deliver more for lower fees – arguably a "race to the bottom". Now it seems the conversation has shifted away from purely cost and toward value for money and value for member. Is this the case?

Menezes: The shift in perception around administration has driven a change in pricing perceptions too. High-quality member experience and cyber resilience are now seen as essential.

One reason is projects. If you're going through an expensive GMP equalisation or a buyout, you quickly realise you need a good administrator that has the resources and systems to deliver. The regulator's focus on administration has also made trustees think more carefully when appointing providers.

Also, administrators themselves have pushed back. There's been pressure in the

market, and everyone's recognised that the current model isn't sustainable. We have to charge a profitable, appropriate fee. I don't see many tenders going to the cheapest bidder anymore.

Wort: We've been reviewing admin pricing for 10–15 years. Yes, fees go up with inflation and demand, but expectations have changed. We're being asked to deliver much more.

Even after a big project there is still work. With dashboards, post-buy-in transactions, the administration doesn't get easier, it often gets more complex. There are different reporting, financial obligations, and so on, and so the increase in price reflects the reality.

What will be the main areas of focus for the pensions administration sector over the next few years or so?

Wort: We've identified four key points.

First is data integrity; it underpins everything. Without trustee support to get the data right first, we risk giving members incorrect information.

Second is cyber resilience. As schemes become more digital, protecting member data is absolutely critical. We must also protect members from scams, fraud, and cyber threats. Member guidance is vital.

Menezes: Member-centric technology is another area of focus. With AI and robotics, members will expect a friction-free retirement experience.

Finally, the regulator's focus on administration is increasing. Therefore, we will need much more quantitative evidence – inputs and outputs – to demonstrate the quality of member communications, data quality plans and value for money, especially in DC. The regulatory environment will become much more evidence based.

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Sophia Singleton interview ▼

Adequacy, accountability and the next generation



Sophia Singleton

Commission examining retirement adequacy, an area where the Society of Pension Professionals (SPP) has been particularly vocal, what outcomes do you hope the commission will deliver for scheme members?

First and foremost, we need a long-term plan for increasing auto-enrolment contribution rates, to reach an adequate level of contributions, including a clear framework and timetable, which provides certainty for savers and employers alike. As we set out in our recent *Saving Retirement* paper, there are many other steps that the commission could recommend to help address the issue of adequacy, such as modifying the rules for means-tested benefits to

From auto-enrolment to AI, Sophia Singleton sits down with Paige Perrin to talk about how the Society of Pension Professionals (SPP) is driving progress to deliver better outcomes for savers and support the future of the pensions profession

ensure pension contributions do not disproportionately reduce benefit entitlements; exploring the benefits of introducing a carers' credit for the country's two million plus unpaid carers; increasing the existing £2,880 limit on which pension tax relief is payable for non-taxpayers; and establishing if pension sharing on separation could be legally required amongst many other potential changes.

During the recent Pension Schemes Bill Committee hearings, you highlighted the importance of trustees exercising fiduciary duty in investment decisions. How do you see trustees managing this responsibility with evolving regulatory expectations?

The SPP very much supports the Pension Schemes Bill – there are a number of DC proposals that will deliver better outcomes for savers and we were pleased to see stringent safeguards to protect DB member benefits.

However, as SPP has repeatedly made clear, the reserve power to mandate investment in private market assets is one of the very few parts of the Pension Schemes Bill that the SPP does not support and we have recommended that it should be removed from the Pension Schemes Bill.

The existence of a threat in the form of this power will inevitably add confusion in relation to trustee decision-making – to what extent is the threat of the exercise of a power to mandate (which may never be exercised) a relevant factor for trustees to take into account when exercising their investment powers and how does it interact with trustees' core fiduciary investment duties to, in the short hand, invest in the interests of beneficiaries? These are considerations that trustees are going to have to navigate.

The SPP is also concerned about the lack of a safe harbour for trustees if mandation conflicts with their fiduciary and/or other legislative duties (e.g. under the investment regulations/value for money requirements) and has made that clear in parliamentary submissions both in writing and in person. We hope that as the bill goes through its various parliamentary stages, these concerns will be addressed so that trustees have greater certainty in exercising their fiduciary duty in investment decisions.

The SPP has introduced guidance videos for early-career professionals and highlighted apprenticeships in the sector. How is the organisation fostering talent development and supporting the next generation of pensions professionals?

▼ interview Sophia Singleton

We are passionate about career development and run a very active network for early career professionals who are broadly those in their first six years in the industry. The shape of our market may be very different in 10 years' time, so supporting younger professionals and getting their input is really important to us. As part of this, we run a full programme of events for early career professionals and they can observe any of SPP's 12 technical committees.

Our early career professionals network has around 1,500 members, and events specifically designed for them have attracted hundreds of attendances over the past 12 months, demonstrating industry appetite for talent development.

On apprenticeships, we undertook some research because there didn't appear to be any reliable data about apprenticeship programmes in the pensions industry. We also wanted to know what benefit firms in the sector think apprenticeships bring, to help raise wider awareness and understanding. Our survey found that most firms in the sector (52 per cent) are offering apprenticeship programmes and that helping to diversify the workforce, increasing productivity, reducing staff turnover, and making a productive use of the Apprenticeship Levy were all positives associated with doing so.

The SPP has highlighted the need for greater efficiency and effectiveness in the risk transfer process. What practical steps are you encouraging trustees to take to achieve this?

We recently published a report on this following a roundtable with a diverse range of SPP members, so my first suggestion for trustees would be to read this paper. It highlighted that there is scope to increase efficiency in different parts of the risk transfer process, but it is also very important to consider the whole process, including the post-transaction phase and the journey to buyout. The paper also gives

some practical advice for trustees to consider. For example, it notes there is a requirement from some trustees for schemes to use a pre-determined legal adviser for the standard terms in the contract, with the scheme's regular adviser covering the individual features of the benefit specification. This is something that should be reviewed because it means there are often two separate legal advisers, which can lead to a disconnect, and a risk of issues slipping between the different sets of advisers.

Solven the SPP's findings on AI adoption, how is the organisation guiding pension firms to integrate AI effectively while managing potential risks?

As our survey found earlier this year, there is already widespread adoption of AI in the pensions industry, with 87 per cent of respondents confirming they are using it. However, the issue is that such adoption is far from fully utilised, with more than three-quarters of firms who use it saying they only do so in 1-5 per cent of their services.

SPP is keen to help improve awareness and understanding of the benefits of adopting AI and automation where it increases industry effectiveness and efficiency - improving member outcomes - and has done so via various articles in the media, through the sharing of our AI survey results with members, and responses to public enquiries on the subject like the recent one from the Treasury Select Committee. We always seek to include elements of AI for discussion where relevant, for example it was discussed when considering our response to the Financial Conduct Authority's consultation on targeted support and the role it could play in improving pensions adequacy when we produced our Saving Retirement paper.

Looking ahead, as you enter the second half of your presidency, can you share what initiatives or research the

SPP is preparing next, and what impact you hope they will have on the pensions sector, trustees and members?

We are continuing to publish papers as part of our *Inclusive Futures* series, looking at diversity and inclusion across the board. We have already published papers on social mobility with the Social Mobility Foundation, neurodiversity with the Donaldson Trust and disability with Disability Rights UK. Over the coming weeks, we will have further papers on LGBTQ+ with Stonewall, gender with UN Women UK, and ethnicity with the Race Equality Foundation accompanied by articles from SPP members on each. These are a great way of demonstrating our commitment to diversity and inclusion whilst also raising awareness and understanding in both the pensions and broader business worlds.

We also have papers on surplus release, a practical guide to collective DC and a covenant update on the DB Funding Code in the pipeline. These seek to both stimulate debate and help inform different audiences, whether industry, policymakers or regulators.

A big focus over the next year will continue to be adequacy and we will input into the work done by the Pensions Commission as it progresses.

But there are also steps the pensions industry can do now to drive progress. For instance, improving member engagement with savings targets and supporting under-pensioned groups. Collaboration across providers and employers is key to building momentum and influencing policy. We're in a great position to support this given our broad membership across the industry.

Our papers over the past 12 months, along with our consultation and enquiry responses, have demonstrably had an impact and we will seek to ensure future work does the same.

Written by Paige Perrin

multi-asset funds investment ▼

Blending assets

Sandra Haurant considers the role of multi-asset investing within pension fund portfolios



s the name suggests, multiasset funds contain a variety of different asset classes, designed to complement each other and create a combination that will provide investors with the growth they require. Just what can these funds offer pensions, now and in the future?

In-built diversification

"In the timeworn phrase, [multi-asset funds] avoid 'putting all our eggs in one basket' and instead look to deliver a smoother investment journey than is feasible by investing in just one asset class," says L&G head of macro strategy, asset management, Chris Jeffery.

The term multi-asset can apply to any fund that holds more than one asset class. There are hundreds of multi-asset funds, each with its own blend of assets. "The workhorse assets are equities, fixed income, real estate, commodities and infrastructure," Jeffery says. "Within equities, multi-asset funds typically hold a diversified sectoral and regional mix. Government, corporate, asset-backed, emerging market and high-yield debt typically sit within fixed income. Private market assets, both equity and credit, are a growing part of the mix, alongside more niche opportunities, like insurance-linked bonds." Although, he adds: "Given the global nature of those assets, the associated foreign currency risk also needs to be managed carefully."

Aviva Investors head of EMEA institutional client relationship management, Heather Brown, says the firm structures its multi-asset funds around three core categories - growth, defensive and private markets. "Our belief is that each of these buckets of assets can play a distinct role in delivering long-term outcomes," she says. "Growth assets are typically expected to perform better when economic conditions are strong, while defensive assets will tend to exhibit better relative performance during periods of uncertainty or market stress. This means they have more potential to help cushion portfolios against losses."

And Brown agrees that private market assets, like private debt, infrastructure and property, are taking up more space today, despite their illiquid nature. "They can offer access to opportunities and diversification benefits,

Summary

- Multi-asset funds diversify across asset classes to smooth returns.
- There are hundreds of multi-asset funds, made up of different asset blends, with private market assets an increasingly popular part of the mix.
- Multi-asset funds help pensions balance long-term growth with resilience for better risk-adjusted returns.
- Regular review of the funds is important given market volatility.
- ESG approaches in multi-asset funds vary widely.

which go beyond traditional asset classes," she says, while also offering an "illiquidity premium, whereby investors benefit from the potential of additional returns by locking their capital in longerterm investments".

The right balance

"We believe multi-asset funds can play an important role for pension schemes looking to achieve a balance between long-term growth and resilience, which can deliver risk-adjusted returns," says Brown. "Pension funds want to capture long-term structural opportunities, whilst seeking to manage downside risks, and we think globally diversified pension portfolios spanning both public and private markets and blending active and passive strategies are the most effective means of doing that."

Indeed, whether it's about assets or management styles, getting the blend right is a crucial part of the process. Russell Investments head of multi-asset EMEA, Alain Zeitouni, says: "Multi-asset funds offer meaningful portfolio diversification by providing holistic access to a broad range of asset classes, beyond traditional equities and fixed income." And multi-asset funds can also incorporate "dynamic tactical asset allocation," says Zeitouni, which can be particularly helpful in turbulent times.

vinvestment multi-asset funds

In fact, says Zeitouni, it is in periods of heightened volatility that multi-asset funds prove their worth. As markets tumbled following the announcement of Trump's tariffs at the start of the second quarter in 2025, for example, he says: "The ability to promptly re-balance portfolios or selectively add to equities in response to the sharp market reaction helped positively impact performance."

Keeping it fresh

We are, though, living through remarkably eventful times, and markets tend to react vigorously to economic, political and climate challenges. So, it's important to keep the balance of underlying assets right - which can mean shaking things up from time to time. Different managers take different approaches to reviewing assets, says XPS senior investment consultant and head of multi-asset research, Josh Pilley. "Some fund managers will set a long-term strategic allocation and rarely change the underlying asset mix, whilst some managers are very active in their approach, regularly shifting their portfolio based on their market outlook," he says. "At XPS, our preference is for funds that have some form of dynamic asset allocation, taking into account asset valuations and market sentiment. However, we believe that it is very hard for funds to deliver consistent positive returns from short-term tactical trading."

Meanwhile, Brown says: "This year, as much as any other, has been a good reminder that markets can be volatile, so it's important funds are regularly reviewed, to best-ensure they are performing as expected, they remain resilient to the changing environment and their forward-looking assumptions align with latest thinking.

"Alongside this, we think it can be beneficial to apply shorter-term, tactical investment opportunities with the aim of enhancing returns and trying to mitigate emerging risks, but also to help smooth the investor journey."

The place for ESG

Given the large number of funds and the diversified nature of the underlying assets within them, it's perhaps no surprise that the range of environmental, social and governance (ESG) approaches is also wide. "There is a broad spectrum of ESG approaches across multi-asset funds," says Pilley, "ranging from funds that make no consideration of ESG factors through to funds where each individual portfolio holdings must contribute towards an overall 'sustainability' objective".

"Multi-asset funds offer meaningful portfolio diversification by providing holistic access to a broad range of asset classes, beyond traditional equities and fixed income"

However, the Financial Conduct Authority's (FCA) Sustainability Disclosure Requirements, aimed at combatting greenwashing, have had an impact on certain funds using terms like 'sustainable' or 'ESG' within fund names and marketing materials. "While a small handful of multi-asset funds have been successful in their applications to the FCA to continue to use these labels, a greater proportion of funds have opted to remove these labels, with managers citing challenges meeting the FCA's requirements despite having sustainability-based objectives within their funds," Pilley says. "Across the funds we monitor that have removed labels, we have not seen any significant changes to managers' focus on sustainable investing."

Shift or shrink

The global economic environment is in flux, and pensions, too, are in a state of change. According to Pilley, many multi-asset funds have seen significant structural shifts in their investor base over recent years, largely due to outflows from DB pension schemes pursuing de-risking strategies, while, he says, some funds benefit from their position in the "latter accumulation and decumulation stages" of DC glidepaths.

As a result, Pilley says: "We expect that these structural shifts will lead to a shrinking of the multi-asset fund universe over the next decade, as some funds that were traditionally aimed at DB schemes ultimately close or merge, whilst a smaller number of large DC-focused multi-asset funds succeed." This might not mean a material change to strategies, he adds, but it could mean a greater focus on innovation catering to DC schemes.

For Brown, the current key trends in the sector, she says, are the integration of private markets, largely in response to the Mansion House Accord, and the growing need for post-retirement investment solutions. "By progressively diversifying the exposure of our multi-asset portfolios to include things such as UK property, private debt and infrastructure equity, we believe it has led to increased portfolio resilience and a more diversified set of return drivers," Brown says. On postretirement, she adds: "The industry is geared up to help people build assets as they move toward retirement, but less attention has been paid to helping people know how to invest or draw an income once they reach retirement."

The Pension Schemes Bill, aimed at improving both DB and DC schemes, may be useful, she says, by helping ensure those metaphorical eggs are carefully spread out into different baskets. But Brown believes multi-asset funds will evolve to hold their place. "We have already taken steps to create multi-asset retirement solutions that are designed with an asset mix we believe can help retirees invest with confidence, manage risk and draw a sustainable income into their retirement," she says.

Written by Sandra Haurant, a freelance journalist

CDC saving models ▼



Multi-employer CDC in practice – from drawing board to delivery

After years of planning, the first multi-employer CDC pension schemes could be launched as early as 2027, with regulators set to publish rules this autumn

his autumn is a huge moment for multi-employer collective defined contribution (CDC) schemes, as the Department for Work and Pensions (DWP) prepares to publish its draft regulations. Building on the single-employer Royal Mail scheme, the introduction of multi-employer schemes could expand CDC coverage to employees across the UK.

However, addressing issues such as risk-sharing and intergenerational fairness through strong governance frameworks and scheme design will remain critical to the model's future success.

TPT Retirement Solutions has positioned itself as an early mover, announcing plans to seek authorisation by the end of 2026 and launching a multi-employer CDC scheme shortly afterwards, subject to regulatory approval.

TPT chief client strategy officer, Andy O'Regan, comments that: "CDC brings the best of both DB and DC schemes. It

brings up target annual income for the member, yet doesn't have that openended guarantee for the employer. We're excited about how we can get going quickly in the market and bring already interested employers into the scheme."

Complexity for pension schemes

But with detailed regulations still in the pipeline, it's a time of complexity and uncertainty for the industry, notes Squire Patton Boggs partner and pensions lawyer, Kate Bailey. "No-one can set up a multi-employer scheme, yet; the legislation is not in place. We have draft regulations but not the final form. And even when we have the regulations, we will need to see what The Pensions Regulator (TPR) will require in its Code of Practice. We are working on the basis of what is known so far, but all plans will need to be reviewed against the final regulatory framework, when we know what it is," she says.

Bailey adds: "Complexity is

Summary

- The DWP is due to publish draft CDC regulations in autumn 2025, with the first multi-employer scheme expected to launch in 2027.
- The new rules are expected to be complex, with regulators focusing on balancing risks across cohorts.
- Trustees must aim for achieving scale, establishing robust governance structures, and communicating clearly and effectively with members.
- Regulators should prioritise reducing unnecessary complexity and consider the sequence of pension reforms.

unfortunately a common feature of UK pensions legislation, so pensions professionals are used to working through layers of legislation and sometimes subtle but significant differences between the application to one form of pension and another. But the need to fit a new type of arrangement into legislative structures designed for other formats can present practical problems. A good example is the charge capping rules – the principle is simple but the operation in a CDC structure is not."

Risks and intergenerational fairness

For both policymakers and trustees, there are many challenges ahead, particularly when it comes to risk-sharing and intergenerational fairness.

How to balance risk across different cohorts has, quite rightly, been at the forefront of DWP's mind when developing the regulations for multi-employer schemes, says Zedra Governance managing director, Kim Nash. "The requirement to base the target annual income on age as well as contributions will largely prevent younger members cross-subsidising older members (as, for example, they do in a DB scheme). Using 'best estimate' assumptions is designed to prevent prudence buffers building up that transfer value from early joiners to

▼ saving models CDC

those who join later. Trustees need to recognise that fairness across cohorts is a key responsibility when agreeing assumptions and factors."

Determining an appropriate longterm investment strategy is also key for schemes, explains O'Regan. Balancing growth and risk is crucial because volatile investment growth could lead to more significant annual adjustments for members and a lack of predictability of future benefit levels.

Strong governance framework

Establishing a strong governance structure with clarity on roles and responsibilities is also crucial for trustees, says Nash. "Ensuring there is clarity on who is the decision-maker and who needs to be consulted for decisions will help ensure efficiency.

"Decision-making in a CDC scheme directly impacts member benefits as it will determine the applicable increases and, in some years, whether benefits would be reduced. There is a risk that decisions become too emotive, and the trustee becomes frozen and unable to progress forward. To overcome this, the trustee should run several scenario tests to roleplay decision-making around reducing future pension increases or benefits, so they have a broad decision tree about the steps that would be followed to take the emotion out of decision-making should reductions be needed."

Communicating with members

In addition to establishing effective scheme design and governance framework, producing clear and informative communications is vital for securing member buy-in.

O'Regan explains that TPT is already drafting communication now for a 2027 launch. "When you go into the arrangement, you get a target pension, and it'll be adjusted each year based on the performance of the scheme. So, we'll be talking about pension adjustments, for example, as opposed to pension

increases, just to get that terminology and expectation right."

Squire Patton Boggs partner and pensions lawyer, Wendy Hunter, agrees that it is vital for schemes to communicate clearly with members so they understand "what CDC schemes are and that their benefits may be adjusted up or down depending on the outcome of the annual funding check".

However, Nash believes disclosure

"For both policymakers and trustees, there are many challenges ahead, particularly when it comes to risk-sharing and intergenerational fairness"

rules need to strike a balance between simplicity and clarity. "CDC benefits should be simple for the member to understand. You get a lifelong income, which is your target income. If things go according to plan, it will increase. If the scheme has a bad year, it won't increase as much. In very bad years, it might go down. It's important that the disclosure rules explain how the plan works and the risks involved in a simple and clear way, without getting into unnecessary details for the members. The technicalities of balancing investment and longevity pooling risks should be for the provider and the trustees, not the membership."

The scale challenge

Another early challenge for CDC trustees is achieving sufficient scale to ensure economic viability and to allow schemes to balance risks across age cohorts. Nash explains that reaching scale will be crucial for new schemes. "It is important that providers have a realistic plan to achieve scale and are prepared to make the necessary investment in the scheme, so that start-up costs do not fall unfairly on early joiners."

Addressing this issue at a recent conference, Pensions Minister, Torsten

Bell, confirmed that CDC schemes will be exempt from the scale requirements in the Pension Schemes Bill. Arguing that their pooled nature already mitigates the risk of smaller schemes, he said: "The nature of CDC schemes is they will only exist if they get to scale – no one sensible would be running a small CDC scheme."

Potential policy pitfalls

With regulations still in development, several challenges remain for policymakers.

Regulators need to work on minimising complexity, to ensure schemes are commercially viable, says Hunter. "For example, multi-employer providers need to be able to operate commercially attractive pricing models, and

current draft legislation is complex to navigate. For multi-employer schemes, the design of the charging structure is key, as the scheme must be commercially viable whilst complying with statutory requirements and offering employers choice and flexibility to offer benefits which suit their workforce."

Another key area of focus is the annual assessment, says O'Regan, which will determine any adjustments for members. "TPR is going to have to work out how to monitor the way in which schemes are undertaking those calculations and monitor the annual adjustments that are being applied."

Finally, Nash argues that there's a broader issue with the sequence of pension reforms, with the possibility that decumulation DC defaults gain traction while decumulation-only CDC schemes are still in the development phase.

Nash says: "I strongly urge the DWP to address the sequencing issue between default DC retirement options and regulations for decumulation-only CDC so that this option can gain traction as quickly as possible."

Written by Alice Guy, a freelance journalist

self-employed retirement saving v

uch of the conversation around pensions focuses on the bigger picture – the funds, the assets under management, the legislation, the actions of the government – but too often all the industry's talk lacks speaking about those it works for on an individual basis. Even when talking about pension holders, the discourse focuses on groups and demographics, the sum of their parts rather than the individual pieces (people) themselves.

This tone is highlighted by its opposition: The role of pensions savings in the habits of the self-employed population.

According to HMRC, the number of self-employed people in the UK making pension contributions rose from 350,000 to 360,000 between 2022 and 2024. Over the same period of time, the amount of contributions paid by that cohort only rose from £2.3 billion to £2.7 billion.

And there still remains a huge discrepancy between those paying into a pension while self-employed compared to those doing so as an employee. Figures from the Institute for Fiscal Studies (IFS) indicate that 80 per cent of self-employed people are not paying into a pension – the opposite of salaried employees, of which 80 per cent are paying into a pension.

The proportion has been on a downward trajectory for some time, since other figures from the IFS indicate that just over 25 years ago, in 1998, 48 per cent of the self-employed paid into a pension. The proportion has since fallen by roughly 30 percentage points, or just over 60 per cent.

There are many reasons for this, says St. James's Place head of advice, Claire Trott. "The self-employed have long faced barriers when it comes to pensions," she says, "and recent changes to allowances risk making it even harder. Early in their careers, many prioritise reinvesting profits back into their businesses, which means pension saving is often delayed.



Summary Summary

- Fewer than 20 per cent of self-employed workers are saving into pensions the inverse of employees.
- While we think of the self-employed as a cohesive, homogenous cohort, needs are more specialised and individualised.
- Further reform is needed, particularly around auto-enrolment in pensions or a reduction in penalty fees for those with LISAs.

The sum of many small parts

As the number of self-employed continues to rise, what changes are required to better assist them in their retirement saving?

"By the time they can afford to contribute more, they can find themselves constrained by annual allowance limits and only limited carry-forward options."

She adds: "Awareness is another hurdle. Incentives to save only work if people understand the benefits of pensions, yet education alone is rarely enough. For many, the reluctance to lock away large sums reflects the reality of irregular earnings — a poor year in business can quickly change financial priorities."

Nest Insight managing director, Will Sandbrook, points to further factors.

He says: "It's also important to consider the changing nature of self-employment, and the growth of the self-employed workforce in recent years. A significant proportion of the growth in (UK) labour-market participation over the past 20 years is driven by the growth in self-employment, even after a slight fall-back after the Covid-19 pandemic; that growth includes the 'gig economy', which didn't exist in the same way 20 years ago."

He adds: "This points to a large new cohort of self-employed people, who may be less likely to save through a pension,

✓ retirement saving self-employed

than previous cohorts of self-employed people. Meanwhile, this could be part of a cohort effect, where an older generation of self-employed people – who were likely to have a pension – are retiring."

How the self-employed save for retirement

There is no one-size-fits-all solution for retirement planning, especially in the cases of those who work for themselves.

One of the big myths, says AJ Bell pensions and savings expert, Charlene Young, is that a big lump sum is needed from the outset to build a pension pot. It is much better, she says, to save a little but to do it often, allowing for the magic of compounding. "It's those small numbers," she adds, "that you may miss a little less on a day-to-day basis."

There is also the argument that many pension arrangements are not ideal for the self-employed because they lack both flexibility and the contributions that would otherwise be matched by an employer.

The IFS senior research economist, Laurence O'Brien, says that the level of wealth held by the self-employed roughly aligns with others working in the private sector (public sector DB pensions are a much-different beast). This, he says, will often be held in other places such as property, meaning that it will not be counted towards pensions savings.

"There are reasons to be concerned about their pensions savings," he says, "but there are also some nuances there about how they can be saving in other things."

The Pensions Policy Institute head of modelling, Tim Pike, raises another point. "When we think about retirement incomes," he says, "the state pension also plays a part. Even in the bottom half of retirement incomes, there is still a dominance by the state pension. It's only when you get to the top half of the distribution that most of the money comes from private savings. So, when you talk about those with low savings,

their most-effective way of saving for retirement is making sure that they are qualified for the state pension."

Helping the self-employed save for retirement

One vehicle that many self-employed do opt for has been a Lifetime ISA (LISA). These push holders to save for a house or for later life. They allow someone to save £4,000 a year until the age of 50, with the government adding another 25 per cent, to a maximum of £1,000, a year.

So far, the UK government has come out broadly in favour of LISAs. In June 2024, the Treasury Committee said that the product was working well for self-employed workers but needed changes so that it could be treated much the same as other retirement products.

"80 per cent of selfemployed people are not paying into a pension – the opposite of salaried employees, of which 80 per cent are paying into a pension"

One change in the LISA setup that many advocated for was a reduction of the penalty for early withdrawal. Currently 25 per cent, some felt that this should be reduced by a fifth to 20 per cent to encourage more to save into these products.

"I don't like the level of the penalty," says Young. "It's far too high. I look at it from a consumer point of view, and I think that it's ripe for reform. That would be great to help people put money into their pensions over the long term."

Other changes have been mooted. Hargreaves Lansdown head of retirement analysis, Helen Morrissey, says the firm has been calling on the government to increase the age at which someone can open a LISA. Currently, this tops out at 40, with contributions finishing at 50.

"This can help the self-employed as many people decide to go self-employed later in life," she says, "and as it currently stands, they would not be able to make use of this product. Pushing it out past 40 and enabling them to open and pay into a LISA until the age of 55 would give them an extra option when it comes to saving for retirement. Analysis from our Savings and Resilience Barometer estimates that 1.2 million households with a basic-rate-tax-paying, self-employed earner could benefit from the proposed changes."

There was also wide advocacy for a form of intervention around self-assessment. A common solution suggested was that a portion of a self-employed worker's income could be shaved off during the preparation of a tax return and invested within a chosen vehicle. The system would not be mandatory but would operate on an 'opt-out' basis.

"It comes with the heaviest of nudges," says Pike. "There's that liquid savings account that gets you that immediate protection against income volatility. People can save to a target level in there, then it could be moved into a pension pot."

Work in this direction has been undertaken for some time by Nest, says Sandbrook.

He says: "Our research to date has shown that saving defaults, which work similarly to automatic enrolment for employed workers, hold promise in supporting more self-employed to save for retirement. These defaults do not restrict choice or reduce autonomy – self-employed people can still choose not to save, for example by ticking a box – but they harness our inertia and tendency to stick with the pre-selected option. We therefore focus now on how such defaults can be implemented in practice."

Written by Peter Carvill, a freelance journalist

Jeff Highfield interview ▼



Guardians of pensions' past

The Pensions Archive Trust (PAT) chair, Jeff Highfield, tells Callum Conway how the charity is safeguarding the industry's history for future generations



or readers who may not be familiar, could you briefly explain the mission of the PAT and

why it matters for the industry?

Our objective is to preserve the documentary and material history of the occupational pensions movement in the UK, both physical and digital.

We believe that pensions in the UK have been a force for good, economically and socially, and have had such an impact that their history is worth preserving for the benefit of academics, policymakers, and all those interested.

It can also help inform the development of current policy, as a lot of questions come round again and again, so to have historical material is really useful.

What kinds of materials and history does the trust preserve, and who typically makes use of them?

We've been operating for 20 years and have built up a significant collection of material from three main sources: Professional bodies and associations, archives from prominent industry figures, and material directly from pension schemes that have completed wind up.

We obviously don't hold personal information from schemes, although that doesn't stop people reaching out to us asking to trace their pension!

How has the trust's role evolved since it was first established?

The charitable objectives of the trust have not changed – we remain committed to preserving the history of the pensions industry.

However, our focus has developed recently as more final-salary schemes are winding up, which risks the valuable history of these schemes rotting in a basement somewhere.

This presents an opportunity for us to capture and preserve their material.

What are the biggest challenges the trust faces today and how do you plan to address them?

A lot of our material is only accessible at the London Archive in Farringdon, and we'd love to be able to digitise more of that material to make it more accessible to more people. Digitisation is getting easier and cheaper, but we still require significant funds to achieve it.

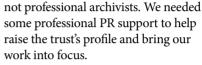
Another priority for us is to raise the charity's profile and remind the industry that we're still here and hold valuable information. This is something our trustees have been working hard on over the past few years.

Funding is also a priority. We have several long-standing donors who we're very grateful for, but if we're going to expand our digitisation, we will need more support from organisations.

You recently appointed KBPR as a consultant. What prompted

PAT to bring in external PR and communications support at this point?

At the charity, we are all either current or retired pension professionals. We have come to a point where we recognise that we are not public relations professionals, just as we are



Working with KBPR will be really important to help raise the trust's profile.

Are there particular audiences or stakeholders you're especially keen to reach?

Great question. One audience is the pure academic, such as an economic historian, where we will need to increase our visibility.

We're also keen to reach out to consultancy and actuarial firms to remind them that when they're doing their own research, the rich history of pensions legislation is available to them through us.

Do you see opportunities to connect the lessons of pensions history with today's policy and regulatory debates?

Absolutely. One of the earlier items we have in our archives is from 1923, from the Association of Superannuation and Pension Funds (ASPF), which was established in the same year. That organisation played a role in representing pension interests at a time when tax

relief for pensions was already under discussion and formalised in law.

Pensions and tax will always be related and remain a constant issue, so showing how that has developed over time and preserving that history is very important.

Written by Callum Conway



× scams AI ID fraud



Deepfakes

Deepfakes are AI-generated forgeries of a person's face and/or voice. They can be replicated as images, video or audio and also used 'live' to deceive biometric authentication systems. In the financial world, they can be used by fraudsters to bypass security systems to steal assets such as data or money.

AI can also be used to fake official documents, such as passports and driving licences, to commit identity fraud. Entire 'synthetic' identities can also be created for the purpose of committing fraud.

Deepfakes statistics

- Only 20-30 seconds of audio is estimated to be needed to create a convincing voice clone.
- Deepfake videos can be created in as little as 45 minutes using freely available AI software.
- Deepfakes online increased from 500,000 in 2023 to eight million in 2025.
- In 2023, the average cost of deepfake financial fraud was \$500,000 (approx £372,250) per incident.
- 42.4% of all fraud attempts are now AI-driven.
- Deepfake fraud rates increased by 2,137% between 2021-24.
- 40% of deepfake attacks target the financial sector.
- Only 24.5% of deepfakes are successfully detected by humans.

The challenge for the pensions industry to spot AI-generated 'deepfakes', and the role they may play in identity fraud

magine the horror of accidentally authorising £25 million of your company's money to be sent to fraudsters.

In January 2024, this happened to one unfortunate Hong Kong employee of British engineering company Arup, who was tricked into sending HK\$200 million (approx £20 million) to criminals that had used AI to create a 'deepfake' group video call pretending to be the company's senior officers 'authorising' the transfer.

While this may not have occurred in the pensions sector "it's fair to say that AI-powered ID fraud represents a genuine and growing risk across all corners of financial services," Trafalgar House client director, Daniel Taylor, warns.

"While we haven't yet seen a headline pensions case involving deepfakes or voice cloning, we'd be naïve to think we're immune."

Using AI for ID fraud

AI can be used in a number of ways to create 'deepfakes', also known as 'synthetic profiles' or 'generative AI', for the purpose of impersonation fraud.

For instance, to pass ID authentication checks, AI can be used to create fake images or clone the voice of an individual – it is estimated that only 20-30 seconds of audio is needed to make a convincing clone. These can both be used to make a deepfake video in as little as 45 minutes using freely-available software.

AI can also generate convincing fake identification documents, such as passports and driver's licences, using personal information and images found online.

Biometric spoofing is also a

AI ID fraud scams v

possibility, where AI-generated fingerprints and facial recognition can bypass authentication systems.

This can also all be used to create an entire synthetic identity creation – complete fake personas with supporting documentation.

"AI has moved identity fraud into a whole new league. We're no longer talking about poorly worded phishing emails – we're now in the age of deepfakes, cloned voices, and synthetic identities," Taylor says.

"With freely available AI tools, bad actors can convincingly mimic someone's voice or face and they've even fabricated 'live' video calls that fool biometric systems. In short: Fraudsters no longer need to steal your ID – they can manufacture one."

In September, cybersecurity firm Deepstrike reported that the number of deepfake files surged from 500,000 in 2023 to eight million in 2025, and that fraud attempts using deepfakes spiked 3,000 per cent in 2023, costing an



average of \$500,000 (approx £372,250) per incident.

According to digital identity solution provider, Signicat's 2024 report on AIdriven identity fraud, 42.4 per cent of all fraud attempts are now AI driven, with deepfake fraud rates having surged by 2,137 per cent over three years. It also revealed that 40 per cent of all deepfake attacks were directed at the financial sector, second only to

cryptocurrency.

Signicat also found that 'spoofing' – aka the use of fake biometric credentials to defeat identity checks – rose from 7.58 per cent in 2021 to a projected 12.83 per cent in 2024. Meanwhile, 'injection attacks', which involve the insertion of synthetic or deepfake videos into authentication streams, bypassing conventional fraud detection layers, saw an increase from 1.51 per cent to 6.27 per

Notable examples of deepfake scams

• Arup (January 2024)

An employee of British engineering firm Arup in Hong Kong was tricked into transferring HK\$200 million (approximately £20 million) to fraudsters. The criminals used AI to create a deepfake video call impersonating senior executives of the company, seemingly authorising the payment.

• Elon Musk (August 2024)

An 82-year-old retiree in the United States was defrauded of \$690,000 (approx $\pounds 513,780$) after being targeted by a deepfake video featuring an AI-generated version of Elon Musk. The video promoted a fake 'radical investment opportunity', which the retiree believed to be legitimate.

• WPP CEO (May 2024)

Fraudsters impersonated Mark Read, the CEO of WPP, using an AI-generated voice and a fake video call. They set up a WhatsApp account using his public image, staged a Microsoft Teams meeting that appeared to be with senior executives, and attempted to persuade an agency leader to form a new business and divulge funds and personal details.

• Joe Biden (2024)

AI was used to generate a synthetic voice of then-President Joe Biden in a robocall targeting voters in the New Hampshire Democratic primary. The call falsely urged Democrats not to vote, claiming their votes would not be counted.

Volodymyr Zelenskyy (2022)

A deepfake video circulated that showed Ukrainian President Volodymyr Zelenskyy apparently ordering the armed forces to surrender. The video was widely shared on social media and even appeared briefly on a hacked Ukrainian news site, before being debunked.

• Brad Pitt (2024)

A 53-year-old French woman was scammed out of approximately €830,000 (around £724,630) after being tricked into believing she was in a romantic relationship with Hollywood actor Brad Pitt. Over 18 months, scammers used deepfake images and videos, including fake hospital footage, to build trust and manipulate her emotions. Claiming Pitt was in financial trouble due to frozen bank accounts and medical issues, they convinced the woman to send money multiple times under false pretences, including customs fees and treatment costs.

cent over the same period.

Aviva workplace pension policy manager, Dale Critchley, notes the use of AI ID fraud within the insurance sphere.

"Scammers are often quick to take advantage of any technology that helps them commit fraud. Given the similarities between insurance and pensions in terms of data and money involved, the risk is likely to be transferable," he warns.

The banking sector has also begun to see AI ID fraud, Isio head of pension administration operations, Neil Brady, says, "and the pensions industry tends to follow the path of the banking sector".

Pensions industry vulnerability

The pensions industry is arguably more vulnerable than the banking sector to this type of fraud.

"Pensions are a perfect storm for fraudsters: Large pots of money, inconsistent ID verification processes, and a predominantly disengaged member base. Unlike banks, which often have real-time, high-frequency interaction with customers, pensions operate in low-touch, high-value environments – ideal for impersonation and synthetic ID fraud," Taylor explains.

"One convincing deepfake, one cloned voice, one breached biometric could be all it takes for a fraudster to redirect funds or access member data. Add to that the fact that many schemes are still catching up digitally, and the defences aren't always as sophisticated as the scams."

However, Aon partner, Paul McGlone, notes: "The controls around payment of benefits tend to be more rigorous than, for example, making a bank payment, and for most members the amount that sits in their pension account probably isn't sufficient to warrant the effort that goes into creating a convincing deepfake video or voice clone. Of course, that could change."

Lumera head of technical research, Rebecca Morgan, believes so, as the pensions sector is not transferring money around often, but when it does "it is really large amounts, which does make it a target, and the infrequent nature of fund movements makes it harder to spot anomalies".

The opportunities for this type of fraud to occur within pensions are threefold.

"AI-powered ID fraud represents a genuine and growing risk across all corners of financial services"

PASA Identity Management
Working Group chair, and LexisNexis
Risk Solutions head of identity strategy,
UK&I, Lorraine Salmond, firstly
highlights how there is the particularly
lucrative opportunity to dupe a trustee
or employee within the pensions
supply chain by using AI to authorise
a colleague's permission to transfer
large volumes of money or data to the
criminals.

Schemes need to think about protecting trustees against this risk, McGlone states.

"Many trustee boards routinely have their voices and images recorded from online trustee meetings, without knowing where those records are stored and for how long. With so much recorded content it wouldn't be difficult for someone to create deepfake a trustee, so processes need to be in place that would prevent unauthorised actions being approved. Third-party providers also have a role to play in challenging unusual requests from trustees where they suspect potential ID theft," he explains.

Salmond also notes how AI could be used to impersonate an individual pension scheme member, to convince those managing the pension scheme to transfer retirement savings to the criminal's account. That can happen in real time through face and voice synthesis to pass selfie and voice checks within pension portals or call centres, she explains.

And finally, the pension scheme member themselves can be fooled by a deepfake into handing over their pension pots to fraudsters.

Last month, The Pensions Regulator (TPR) sent out an industry alert regarding impersonation fraud generally, noting that members between the ages of 50 and 69 are at the greatest risk of these impersonation techniques, with 55 per cent of the reported victims in this age range.

In August 2024, it was reported that an 82-year-old retiree in the USA fell victim to a deepfake of Elon Musk 'recommending' a 'radical investment opportunity'. Over the course of several weeks the retiree drained his retirement fund to invest \$690,000 (approx £513,780) in the scam, with the money lost to the fraudsters.

As well as the risks of financial loss or data breaches, schemes falling foul of such scams would face operational inconvenience, reputational damage and potential regulatory or legal issues.

As DLA Piper partner, Matthew Swynnerton, notes, "in the absence of general statutory regulation, the UK continues to rely on the General Data Protection Regulation (GDPR) framework to regulate AI usage. This places a significant compliance burden on scheme administrators, particularly where digital verification tools are integrated into member portals".

"Due to the rapid nature of AI developments, schemes must evolve to ensure their application of the GDPR accurately addresses potential new security risks," he adds.

Minimising the risk

The increasing sophistication of these deepfake scams means the 'uncanny valley' effect – the sense of unease or revulsion a person experiences when subconsciously noting that a computer-

AI ID fraud scams v

generated human figure (or humanoid robot) is not really human – can no longer be relied upon. According to Deepstrike, there is just a 24.5 per cent successful human detection rate of deepfakes.

But just as AI can generate ID fraud, so too can it be used to tackle the problem.

"We really need to make sure that pension companies are using AI to combat AI fraud, because it is not good enough to rely on humans spotting something that is so clever. You can't tell if it's a voice or photo fake as deepfakes fool the human eye all the time. But AI can be programmed to spot some of the things that don't quite hang together, such as the pixelation not being 100 per cent correct," Pension Scams Industry Group chair, Margaret Snowdon, explains.

"AI software can be low cost and can analyse information such as emails, letters or telephone calls coming in.
AI can look through these and analyse the language and content. It can look at whether a document is original or whether it's been doctored or monitoring odd responses from customers," she adds.

Salmond gives the example of literal

masks being used to con ID video checks, but that AI software can determine if it is fake by monitoring if blood is flowing in the [masked] images.

"AI tools can also be used to determine if the member's device being used is in the expected country or being held in a standard way. It also checks whether the email address or bank account is newly set up, which can be a sign of fraud," she adds.

According to Lumera AI product owner and data scientist, Alessandro Alviani, relying on what is unique to individuals and therefore useful for security— such as fingerprints, the iris or face— can now be cloned, and so multifactor authentication provides extra layers of security to minimise fraud.

"We've got to focus on multiple angles, preventing fraud by using tools such as multi-factor authentication, continuous activity monitoring and protecting data from cyber-attacks, as stolen data becomes the fuel for fraud attempts downstream," Aptia chief growth officer, Andy Seed, says.

LexisNexis Risk Solutions 2021 *Digital Dilemma Pension Report* found that people would be receptive to that, as 77 per cent of respondents supported the idea that pension apps should have the same log-in security levels as online banking apps.

Despite the use of multiple tools to minimise the risk of AI ID fraud, "it's still the human that is getting fooled. These scam tricks that have always existed – it's the same confidence trick as the scam artist knocking on the door, but it's just the technology that has changed", Bravura proposition lead EMEA, Jonathan Hawkins, says.

Therefore, training staff on this issue is essential.

"There are some practical tips pension schemes could consider, to help protect themselves and their members from AI identity fraud. This might include training people to spot deepfakes and fake documents and verifying sources. However, arguably the most important aspect is to stay informed – stay vigilant and keep up to date with



What to do if subject to an AI ID fraud

The pension scheme should:

- 1. Alert their fraud prevention office or another nominated individual immediately of the incident who can provide immediate advice.
- 2. Establish a small and confidential working group with necessary counter fraud skills, expertise and experience to contribute to an investigation, ensuring compliance with related legal requirements.
- 3. Refer for specialist investigation as soon as there is a suspicion of fraud that is substantiated by at least one reliable piece of information.
- 4. Leave all response and recovery options open. An investigation may reveal the fraud is much bigger than initially suspected.

The pension scheme should not:

- 1. Panic or succumb to initial reactions as this risks any investigation being compromised
- 2. 'Tip off' the suspected person, so to advise the team(s) to use delay tactics on any activity occurring on the case
- 3. Take any action without seeking external professional advice.

PASA Cybercrime & Fraud Working Group member, Gillian Baker

emerging fraud tactics," Critchley says.

This training may enable the pensions industry, in turn, to educate savers on the risk of AI ID fraud. Seed expects scheme managers and trustees to rely on their advisers, especially administrators, to help protect their members.

"Schemes and trustees can play their part, but members do have a role to play," McGlone says.

"Historically the pensions industry has warned members about pension scams, and increasingly schemes are warning their members about issues such as phishing attempts and how to ensure they don't fall victim to ID fraud. Some schemes are now reminding members how they will engage with them, in a similar way that the banks tell customers 'we will never call and ask for your password' or explaining how to report anything suspicious," he explains.

Growing awareness

But before schemes can educate their members of the risk of deepfakes, awareness within the pensions industry itself arguably needs to increase.

According to Taylor, "awareness is patchy at best".

"Most trustees understand the general cyber risk landscape, but few are actively talking about AI-powered ID fraud. Many still view AI as a productivity tool, not a threat. There's a blind spot here and the clock is ticking. The pace of AI innovation is staggering, but the pensions industry doesn't move as quickly. That creates a dangerous mismatch between threat evolution and defence readiness," he warns.

TPR's industry alert on impersonation scams last month helps to raise awareness of the issue generally, with its revelation that between October 2024 and March 2025 almost a third of Action Fraud reports referenced attempts to bypass pension scheme defences and exploit security vulnerabilities to gain unauthorised access to members' accounts.

Swynnerton also highlights how TPR and the Pension Scams Action Group have recently joined forces "to detect and take down fraudulent websites targeting individuals accessing their pension accounts – all powered by machine learning technology".

"Al has moved identity fraud into a whole new league... fraudsters no longer need to steal your ID – they can manufacture one"

Looking ahead

According to AI education company Sidecar, AI is on a 'sprint', with its computational power doubling approximately every six months.

"Perhaps more worryingly, AI has the intelligence to 'learn' or be taught failed techniques as it goes, which makes [AI ID fraud] an increasing risk as techniques improve," Seed says.

According to LexisNexis Risk Solutions' 2023 *Digital Pensions Fraud* whitepaper, "as of today, the digital threat in the pensions space is still relatively low as the industry is behind the curve from a digital perspective". [It notes that 29 per cent of schemes do not utilise electronic identity verification for UK-based members].

However, as the power of, and uses for, AI develops, so too will the way it is used by the pensions industry.

"The digital transformation of the UK pensions sector, through the upcoming pensions dashboards and member expectations regarding a digital service akin to other financial sectors, could make the pensions industry more vulnerable to AI ID fraud," Salmond warns.

In particular, "dashboards are going to open up more opportunities for ID fraud, by revealing untraced funds to the general public, and also to fraudsters, so we have got to think about how we protect ourselves", Brady states.

Also, "banks and other financial institutions are increasingly using biometric checks such as videos and voice checks; those may start to be more prevalent in pensions over time," McGlone states.

Swynnerton notes that holding biometric data is subject to heightened legal scrutiny under Article 4(14) of the UK GDPR.

"Biometric systems have previously been viewed as a safer method of identity verification; however, the growing sophistication of AI technology means they are increasingly vulnerable to manipulation," he explains.

"In order to process this special category data, pension schemes employing facial recognition or similar technologies must obtain explicit consent under Article 9, as well as satisfy a lawful basis requirement under Article 6. They must also adhere to strict obligations as data controllers, by implementing technical and organisational measures to mitigate the risk of identity fraud. This includes safeguarding against unauthorised and fraudulent access, for which the emergence of deepfakes and AI-produced documentation presents a new challenge."

So, should the pensions industry be concerned about the challenges AI may bring with regards to identification fraud?

According to Taylor, "concerned, yes; panicked, no".

"AI ID fraud is a real and evolving threat but it's also manageable with the right safeguards, mindset, and oversight," he explains.

"The key is proactivity. Waiting until something goes wrong is no longer an option. If we want members to trust digital pensions, we need to make sure that the industry isn't trusting digital illusions."

Written by Laura Blows

disabilities DEI special focus ▼



he number of people in the UK who have a disability - a physical or mental impairment with a 'substantial' and 'longterm' negative effect on their ability to carry out normal daily activities, according to the definition in the 2010 Equality Act – has been growing steadily for years. In 2023, 16.1 million people in the UK had some kind of disability - almost a quarter (24 per cent) of the population, up from 18 per cent in 2003, according to the DWP's Family Resources Survey. That included 23 per cent of working age adults and 45 per cent of those old enough to draw a state pension.

There are many different types of disability, but there are some things that many disabled people are likely to have in common. One is that they are less likely to be employed: 51 per cent of men and 54 per cent of women with disabilities were in paid work in 2024, compared to 84 per cent and 79 per cent of non-disabled men and women (figures from the Office for National Statistics). A disability may make it too difficult for someone to work, or to work all the time, but there is also clearly still plenty of discrimination - both active and unconscious - in workplaces. The enormous numbers of buildings and public transport facilities that are still inaccessible to many disabled people create further barriers to employment.

The result of this disability employment gap is a huge disability pensions gap. Many disabled people accumulate little or no occupational or private pension savings before retirement, forcing them to rely on the state pension and benefits. In spring

Summary

- While life has improved for many disabled people in the UK in recent years, overt or unconscious prejudice in the workplace and practical difficulties mean many either cannot work, or are employed in roles that are part-time and/or not well paid. This disability employment gap has created a disability pensions gap.
- Carers and the parents of disabled children are also likely to find it more difficult to work, or to save for retirement.
- Some pension providers and employers are working hard to improve the way they treat savers or employees with disabilities to help alleviate these issues, but there is much more room for improvement.
- Further intervention from policymakers may be necessary, in relation to the way employers and pension providers meet the needs of people with disabilities.

Closing the disability pensions gap

Many people with disabilities are unable to accumulate significant occupational or private pension savings, in part because of the difficulties to find work and the struggles they may face within the workplace. David Adams looks at what the pensions industry, employers and policymakers might do to help ensure more disabled people can enjoy a better income in retirement

2025, a report produced by the Pensions Policy Institute (PPI) with Now Pensions found that people with disabilities had the lowest pension income of all the 'underpensioned' groups it identified, reaching just 43 per cent of the UK average.

Scottish Widows' *Retirement Report* for 2025 found that 54 per cent of people with disabilities risk not reaching a 'minimum' lifestyle income in retirement (£14,800 for a single person and £23,100 for a couple, as defined by Pensions UK), compared to 35 per cent of non-disabled people. Only 19 per cent of people with disabilities will enjoy a 'comfortable' retirement income (£44,400 for one person, £60,800 for a couple), compared to 34 per cent of the non-disabled.

"They don't have as much employment activity so are unable to

build up private pensions," says PPI senior policy analyst, John Adams. "When they are employed they are more likely to be part-time, which reduces their capacity to build up pension savings." This also means disabled people are likely to earn less than the £10,000 level, which triggers auto-enrolment.

Barriers to saving for retirement

Further problems may lie ahead: July 2025 research from Barnett Waddingham found that only 19 per cent of people with long-term health conditions or disabilities had fully considered the costs of long-term care, while 40 per cent had thought about this but not made any provision for it within their retirement planning.

Non-disabled parents of disabled children also lose out: Research from

✓ DEI special focus

disabilities

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the People's Partnership has found that as well as suffering physical and mental health problems and practical difficulties while supporting their children, these parents lose earnings if they give up work, or work less, and through a lack of career progression either way; while also facing increased household costs, which make it harder to save for retirement.

Less time spent in employment also leaves gaps in someone's National Insurance (NI) contribution record, making it less likely they will receive a full state pension in retirement.

"A large percentage of people with long-term health conditions or disabilities will have an incomplete record of NI contributions," says Disability Rights UK editor of the *Disability Rights Handbook*, Ian Greaves. Nor is relying on the state necessarily an easy option, with the processes of applying for benefits as either a disabled person or a carer filled with bureaucratic complexity around eligibility rules for benefits or allowances at different times of life and in different circumstances.

Clearly, people with disabilities could be better served by the pensions industry, by some employers and by the state. So what could be done to help more disabled people enjoy a better standard of living in retirement?

People's Partnership customer engagement director, Allie Jenkin, says it has redesigned staff training programmes to help them identify and respond appropriately to different types of vulnerability among its customers; and has invested in a range of improved human and technology-based forms of support and assistance for them. This includes using accessible communications formats such as Braille and EasyRead, and assistive technologies like screen readers.

Scottish Widows vulnerable customer lead, Niamh Whelan, says the company has designed its app with input from people with disabilities and other vulnerabilities.

"It was important to us to make it

user-friendly, with clear information and engaging visuals," says Whelan. "The simple design and navigation are particularly beneficial for individuals with cognitive or physical challenges. To be truly inclusive we need to be having those conversations and gathering feedback at every step of the way."

"I think providers have started taking some useful steps," says Zedra Governance managing director and professional trustee, Kim Nash. "Awareness of vulnerable members is much higher than it used to be."

"Both the industry and policymakers must ensure that accessibility and inclusion are built into systems and services by design, not treated as optional add-ons"

She believes these issues will become even more important in future. "As we start to think about guided retirement and targeted support in the DC space, segmentation strategies should consider physical disability as a factor likely to affect life expectancy and retirement planning," Nash suggests. "Both the industry and policymakers must ensure that accessibility and inclusion are built into systems and services by design, not treated as optional add-ons."

Jenkin suggests that employers provide accessible and tailored information about pensions and retirement planning to employees, as well as one-to-one guidance. But she also stresses the need for more employers to offer "genuine options for flexible working, without stigma or negative impact on career progression" to help people with disabilities find and retain employment.

"Organisations that embrace flexible, inclusive working practises are likely to see stronger staff engagement and loyalty,"

she says. "But as a society we have a long way to go to ensure that flexibility is the norm, not the exception, and that it doesn't come with hidden penalties."

Closing the gap

A similar call to action is found in a Society of Pension Professionals (SPP) paper on disability within diversity, equity and inclusion strategies, produced in partnership with the charity Disability Rights UK. The latter organisation is a founding member of the Disability Employment Charter, a coalition of organisations that is calling on employers and government to implement changes to close the disability employment and pay gaps – which would, in turn, help close the disability pensions gap.

Those changes might include setting targets for employing people with disabilities and reporting on progress towards those targets; and revision of recruitment processes to ensure they are inclusive and accessible. Employers could make use of the government's Access to Work scheme, which can help support workers with disabilities by funding transport to work or purchase of specialist equipment. Disability Rights UK and the SPP suggest that businesses within the pensions industry could lead by example, by making these changes.

Policymakers could help too, by continuing to encourage employers and the pensions industry to take the needs of people with disabilities into account.

"The Pensions Commission should also look at whether the pension system treats disabled people fairly and whether further reforms are needed," says Jenkin.

Indeed, while moves to help ensure disabled people have a decent income in retirement form part of a broader drive to help everyone save for retirement, pensions providers, employers and policymakers could certainly be doing more.

Written by David Adams, a freelance journalist

Autumn Budget opinion v



Budget wishes

The upcoming Autumn Budget has prompted the usual prefiscal statement speculation, with rumours of pension tax cuts and more. *Pensions Age* asks the industry what changes it is (and isn't) hoping to see

Given the government has already announced the initiation of its State Pension Age Review and a new Pensions Commission is under way, any major pension announcements in the 2025 Autumn Budget are unlikely.

For example, despite frantic whispering, any changes to the tax-free cash (TFC) allowances would be a huge surprise. Limiting or abolishing TFC would require a complex protection regime for existing savers and devalue pension saving for millions of basic-rate taxpayers, whose main tax advantage comes from this relief. Even if restricted only to future contributions, such a measure would raise little immediate revenue, undermining its usefulness to a Chancellor seeking short-term funds.

Attention therefore turns to more incremental levers. Adjusting pension tax reliefs or introducing National Insurance on pension income are well-trailed possibilities to raise revenue or curb long-term costs. These ideas could eventually form part of a broader reform package from the commission, but the political and administrative hurdles mean an imminent move is doubtful.

▶ Broadstone head of policy, David Brooks

The UK's pensions system faces two conflicting pressures: The need to provide secure incomes in retirement and the need to manage escalating fiscal costs. The state pension triple lock is unsustainable. The Office for Budget Responsibility projects it will cost about £15 billion a year by 2029-30, about three times the initial estimate. A shift to CPI-linked uprating would provide predictability but consideration should first be given to the appropriate level of the state pension, alongside a fiscally responsible plan to get there.

Tax relief on pension contributions disproportionately helps higher earners and costs the Exchequer tens of billions. Introducing a flat 25 per cent relief would be simpler, fairer and could free resources to support lower earners. Part of these savings could improve outcomes for carers who miss out on National Insurance credits.

Finally, we should build on auto-enrolment's success. Current contribution rates are too low to deliver adequate retirement benefits and many self-employed remain outside the system. A clear timetable to raise minimum contributions and widen coverage would strengthen retirement security.

Hughes Price Walker director and actuary, Ray Hughes



While there are arguments for amending pension tax relief to distribute it more widely, any changes must be made carefully, with ample time for consultation

and preparation. The consultation process for the inheritance tax proposals avoided the unworkable mess initially proposed, highlighting the risks of lightening tax raids.

The Chancellor might be tempted to abolish higher rate tax relief, but this risks unintended consequences, particularly for public sector pensions. We remember the 2016 annual and lifetime allowance changes that financially penalised senior doctors and consultants for continuing to work, resulting in their retirement and creating a bigger problem for the government (and all the rest of us) in the health service.

Zedra head of proposition development, Mark Stopard



From a purely fiscal perspective, the thistle someone must surely grasp at some point is the still generous national pension schemes that remain unfunded, such as NHS.

Civil Service and Teachers schemes, as well as the security services and others. The off-balance sheet debt of the UK is significant (in the £ trillions) and continues to accrue additional members and pensioners each year unabated. Given the considerable difference in levels between public and private sector pensions it will be interesting to see if a Labour administration would try and reduce future liabilities via some variations to those schemes (although this seems unlikely).

▶ Cartwright Pension Trusts senior adviser, Ian McKnight

▼ opinion Autumn Budget

The pension system faces intense speculation in the lead up to almost every Budget. This time the rumour mill has been of flat rate tax relief, reforming salary sacrifice, and cuts to the tax-free lump sum. This chatter can be damaging: The prospect of reducing the maximum tax-free lump sum for example can prompt people to access benefits earlier than planned out of fear, a reaction that may be harmful in the long term.

Our ask is simple: "No surprises and a period of continuity." Savers need stability in pensions policy to plan for retirement and to retain trust in the system. We accept governments will naturally be reluctant to give away detailed plans early – politics and fiscal strategy make caution understandable – but excessive secrecy may be the greater risk, provoking rushed decisions by savers and market disruption.

Mercer UK wealth strategy leader, Tess Page



Rather than another round of eye-catching pension reforms, the best outcome from the Autumn Budget would be... absolutely nothing. We're still working through the fallout from the lifetime allowance abolition. Transitional

certificates, dual lump sum allowances, inconsistent guidance, and member confusion have left administrators trying to navigate a maze of technical grey areas with no map and little help.

There's a growing disconnect between policy ambition and delivery reality. Administrators are tasked with implementing new rules at pace, often with late legislation, vague guidance and unrealistic timeframes. The result? Confused members, additional costs for schemes, and operational teams spending hours unpicking complexity that didn't need to exist.

▶ Trafalgar House Pensions Administration head of service delivery, Shelly Macnab



Introducing major new reforms now could be counterproductive. It risks undermining the [new Pensions] Commission's work before it begins and adds pressure to an already stretched system. There's limited capacity for

further change before the end of the decade.

Stability and clarity are essential to protect savers and maintain confidence and the industry needs space to deliver current reforms effectively, while the commission focuses on long-term strategy. A measured, coordinated approach will serve both the sector and savers best.

Scottish Widows head of pensions policy, Pete Glancy



The widespread speculation surrounding potential restrictions on tax-free cash entitlements is generating significant market uncertainty and threatens to trigger hasty and potentially detrimental

decision-making. We have seen early signs of this with the latest figures from the FCA showing a 36 per cent increase in pension withdrawals. This mirrors trends from previous budget cycles where individuals prematurely accessed their pension savings before any potential limitations came into effect. This sort of reactive behaviour can lead to suboptimal retirement outcomes and should be avoided through clearer government communication.

Looking ahead, there is certainly a case for introducing targeted tax concessions that would facilitate more effective pension scheme management. Measures allowing defined benefit scheme surpluses to fund defined contribution arrangements or provide lump sum distributions to members without prohibitive tax charges would enhance scheme flexibility. Whether implemented in the upcoming budget or through subsequent Pension Schemes Bill legislation, these reforms would enable trustees to better utilise surplus assets while benefiting scheme members, creating a more efficient and responsive pension landscape.

► Independent Governance Group head of policy and external affairs, Lou Davey



Ending higher rate relief on contributions – which the Chancellor supported earlier in her career – would mean taxing even some basic rate taxpayers in respect of employer contributions and valuing public sector employees' DB accrual

for tax purposes. Cutting tax-free lump sums – an idea previously advocated by both co-chairs of the government's 'Budget board' – either tramples on people's expectations or does not produce much revenue for a long time, limiting the role it could play in restoring short-term fiscal headroom.

From investors' perspective, pension funds are worried about UK fiscal sustainability and some are holding off on making changes to investment strategy in advance of the budget. They have not forgotten the material impact that the mini-Budget of 2022 had on gilt market volatility. The hope is that the Budget will provide greater confidence in the UK fiscal position and allow them to move forward.

► WTW retirement director, David Robbins

final thoughts coffee break v

▼ The bright side

Pensions Age takes a closer look at some of the recent good news stories in the pensions industry...



The **Tumelo** team took on an Ironman in September, as part of its efforts to raise money for Bristol-based charity, Gympanzees.

The charity works to create accessible spaces where disabled children can exercise, play, and thrive. They also provide vital support for families. Having previously spent time volunteering



at Gympanzees

– painting,
cleaning, and
gardening in
their carpark

– the Tumelo
team has now
upped their
efforts to raise

funds and awareness for the organisation by taking on an Ironman.

The team swam 1.2 miles in Weymouth Bay, cycled 56 miles through the blustery Dorset countryside, and finished with a half marathon along a stormy seafront, totalling a massive 70.3 miles each.

"Every donation will help Gympanzees reach even more children and families who deserve joy, play, and belonging," the team stated.



The Hymans
Robertson team held
its second annual
sponsored cycle event
to honour muchloved friend and
colleague, Patrick
Bloomfield.

The event was held in support of the British Heart Foundation, with more than 50 members of the Hymans Robertson team taking part to support, cycling an incredible 568km on two exercise bikes and raising just over £550.

This was the second year that the company has held the Patrick Bloomfield Sponsored Cycle, who passed away unexpectedly in 2023.

"For those who knew Patrick, the sight of him with his trusty Brompton was as



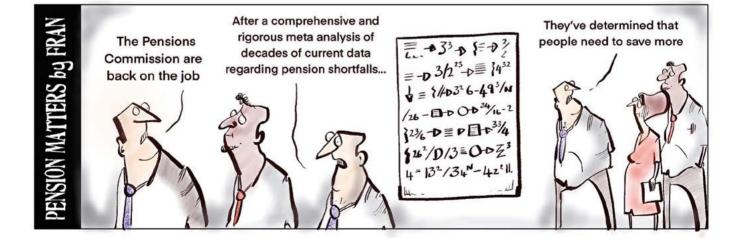
bow ties or his knack for bringing fun to even the driest Teams

the driest Teams call," the firm stated. "He was a passionate cyclist, a fierce advocate for others, and a reminder that you can be both playful and professional. This ride is our way of celebrating him in the spirit he'd have loved – pushing ourselves, sharing a laugh, and doing something meaningful together."

Patrick was a leading figure in the pensions industry for over 25 years, bringing his own remarkable blend of professional curiosity and charm to his work with colleagues, clients and



beyond. As well as his work at Hymans Robertson, Patrick was a well-known figure in a number of industry bodies.





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