HERBERT SMITH FREEHILLS KRAMER

PENSIONS PLANNER

SUMMER 2026

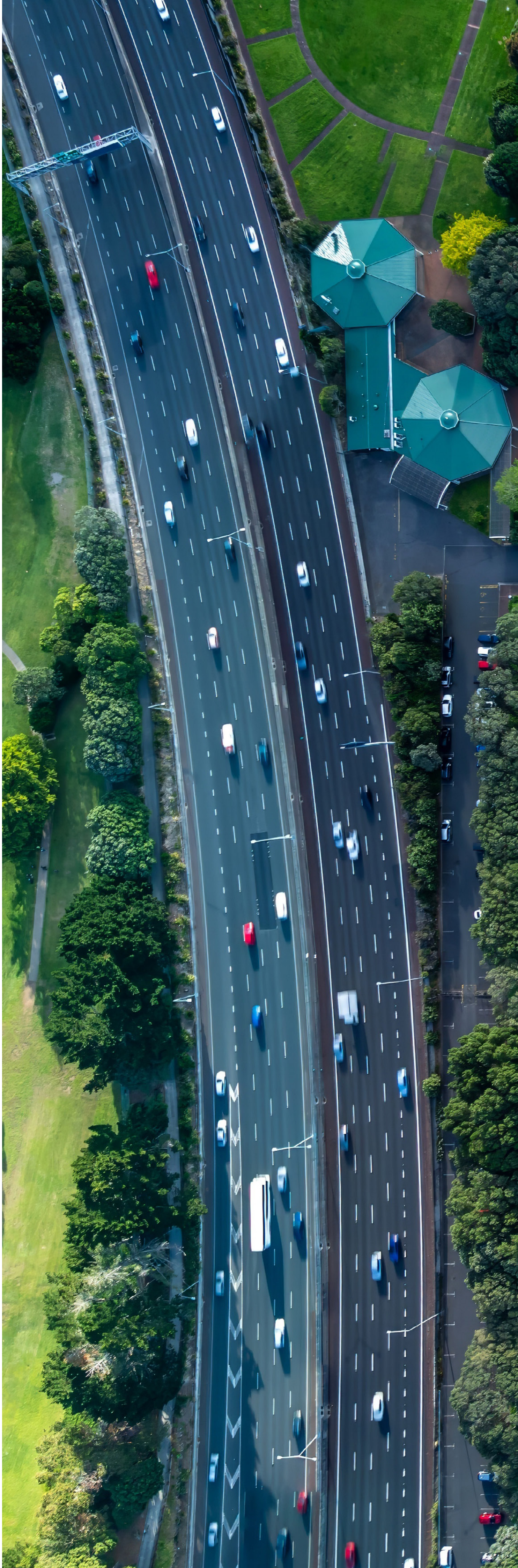
Contents

Introduction

It's not often – thankfully – that we cover three new Acts of Parliament in a single Planner. But such is the case here. The Government has legislated for two major changes to pensions tax, covering death benefits (from April 2027) and salary sacrifice (April 2029). And then there's the Pension Schemes Act. Following Government concessions on mandation, the most important pensions Bill for 20 years was agreed by the House of Lords on 28 April, just hours before Parliament was prorogued.

With the Act now on the statute book, attention will turn to the regulations needed to implement its provisions. For many DB schemes, the focus will be surplus sharing. Section 9 of the Act will in due course allow trustees to make refunds from ongoing schemes, but the associated conditions have yet to be prescribed. The funding test will be key; we will learn soon whether the Government will opt for a "low-dependency" yardstick, as it was minded to do in 2025. Developments reported in this Planner give a feel for materiality. The Pensions Regulator estimates that 80% of schemes are fully-funded on a low-dependency basis, with 60% funded at more than 110%. Also noteworthy is the recent *HSBC* case, as to the use of DB funds for DC provision: the relevant surplus, on a low-risk funding basis, was reckoned to be £2.8bn.

For DC schemes, the Act provides for major reforms, aimed in particular at driving consolidation. Among other things, master trusts and GPPs will be subject to a £25bn "minimum size" requirement. The reforms are some way off as yet – "minimum size" is not due to launch until 2030 – but the Government and regulators are already seeking to steer industry behaviours. We cover two examples in this Planner. TPR has urged own-trust schemes to consider whether they will be able to meet future requirements, and to consolidate in cases where members would fare better under a collective arrangement. Meanwhile the Department for Work and Pensions has published guidance which seeks to manage "planning blight" for sub-scale master trusts and GPPs. Bigger may in principle be better, but the Government wants to avoid excessive consolidation, which might adversely affect choice and competition.



Recent developments

"Landmark" Pension Schemes Act passed

The Pension Schemes Act 2026 completed the parliamentary process, and received royal assent.

The Act makes provision for various major pension reforms, including:

- For **DB schemes**, surplus sharing, *Virgin Media* remediation, and a new regime for superfunds and superfund transfers.
- For **master trusts and GPPs**, a "scale" requirement, and power for the Government to mandate investment in private markets.
- For **DC schemes generally**, measures as to guided retirement, value for money and small pot consolidation.

As reported in our blog post, the Government was forced to water down the controversial mandation power, in order to obtain the requisite approval from the House of Lords. The power is now capped based on targets under the Mansion House Accord; and trustees/providers will be able to seek an exemption, if complying with any mandated investment allocation is not likely to be in the interests of members.

Comment: Whilst the Act is now on the statute book, most of its provisions are not yet in force. The Government plans to implement the various reforms over the period from 2027 to 2030.

One important measure does have immediate effect: *Virgin Media* remediation. Under sections 101-108, historic DB amendments which might otherwise be invalid on "section 37" grounds can be remediated if trustees obtain retrospective actuarial confirmation.

We have published an overview of the Act's provisions.

Lords decline to cater for investment guidance

The Government failed in an attempt to provide for investment guidance in the new Pension Schemes Act.

In December 2025, the Pensions Minister announced plans to "clarify" trustees' investment duties by means of statutory guidance. Details can be found in our Spring 2026 Pensions Planner.

With the Pension Schemes Bill in the House of Lords, the Government proposed to add a provision under which guidance could be issued. However, the Lords did not agree the amendment.

The Minister for Work and Pensions said that the Government would consider alternative approaches, as it "remains committed to improving clarity".

In the meantime, the Department for Work and Pensions announced the creation of a working group, to help with the formulation of guidance. The group is chaired by Sir Robin Knowles, a High Court judge. Sir Robin chaired the working group of the Financial Markets Law Committee which reported on investment duties in 2024.

Comment: Any guidance will be clarificatory only; it can explain the law, but cannot change it. Therein lies the challenge for those drafting. If they purport to clarify the grey areas, the guidance may over-reach, going beyond mere clarification. Conversely if they play it safe, the value of the guidance will be limited; many readers will find that it adds nothing to what they already know.

Government legislates for new IHT regime

The Finance Act 2026 received royal assent. The Act will make changes to the tax treatment of pension death benefits with effect from April 2027, as proposed in the 2024 Autumn Budget.

To recap, most types of death benefits will come within a member's estate for inheritance tax purposes. There are carve-outs for dependants' scheme pensions, joint-life annuities, trivial commutation lump sums and some death-in-service benefits. Benefits paid to spouses or civil partners will be exempt from tax on normal IHT principles.

Primary responsibility for reporting and paying any IHT will lie with the executors or administrators of a member's estate (**PRs**). However, trustees will be required to liaise with PRs, and in some circumstances to withhold benefit payments or pay tax. Regulations on these matters are awaited. The Government has in the meantime published its response to recommendations made by a parliamentary committee.

Comment: We suggest that:

- Trustees and employers should assess how benefits under their scheme will be affected – for example, whether any death-in-service benefits will be covered by the relevant carve-out.
- Trustees should work with their administrators as the new regime takes shape, to ensure processes are in place for liaison with PRs, and for withholding benefits or paying tax where necessary.
- Trustees should review scheme booklets and standard-form communications, and consider whether to alert members to the new regime – for example, so that members can revisit death benefit nominations.
- Trustees should consider, with appropriate advice, whether the new regime may have implications as regards when or how particular benefits are paid.
- Trustees and employers might also wish to consider whether to make changes to "discretionary trust" provisions for lump sum death benefits – for example, so that members can make legally-binding nominations. Under the new regime, the IHT advantages associated with discretionary trusts will fall away.

Salary sacrifice legislation enacted

The National Insurance Contributions (Employer Pensions Contributions) Act 2026 was passed. The Act provides for the "salary sacrifice" changes announced in the 2025 Autumn Budget.

As explained in our Spring 2026 Pensions Planner, with effect from April 2029, the National Insurance advantages of salary sacrifice for pension purposes will be confined to the first £2,000 sacrificed each year.

The Office for Budget Responsibility published a report on the potential impact.

Comment: Employers should assess the financial implications of the 2029 changes, and decide whether to review salary sacrifice arrangements or pension contributions generally.

Other things being equal, salary sacrifice will remain advantageous – but the advantages, in respect of employees sacrificing amounts above the £2,000 "cap", will be smaller than at present.

The Act provides only the framework for the new regime. The way in which the £2,000 cap operates will be specified in regulations in due course, although the Government has indicated that the cap will apply on a "per job" basis, rather than "per individual".

TPR issues *Virgin Media* guidance

The Pensions Regulator published guidance for trustees on *Virgin Media* remediation.

The guidance provides an overview of potential issues arising from the *Virgin Media* case, the remediation power under the new Pension Schemes Act, and the relevant responsibilities of trustees. The guidance also includes practical tips.

Comment: TPR's trustee guidance complements the guidance for actuaries published by the Financial Reporting Council.

The trustee guidance focuses on process rather than substance; TPR emphasises that, as regards remediation, it has no statutory role to play. The guidance does however echo some of the pragmatic points made by the FRC, for example saying that trustees do not have to carry out "exhaustive searches" before seeking remediation.

Guidance published on megafunds regime

The Department for Work and Pensions published guidance on the DC "scale" requirement, which will apply to multi-employer auto-enrolment schemes from 2030. The Pensions Regulator published an associated statement.

The DWP guidance contains information about the "pathways" potentially available to schemes which cannot meet the scale requirement.

TPR's statement provides further detail, and:

- explains "early thinking" about how a scheme wishing to use the transition pathway might demonstrate that it can achieve scale; and
- includes analysis as to growth scenarios and drivers of growth.

Comment: TPR's statement is aimed mainly at master trusts, but will also be relevant to employers and their advisers when selecting schemes.

The aim of the DWP and TPR is in part to avoid "planning blight" – where concerns about the new regime drive business away from schemes which, though sub-scale now, would otherwise be able to meet the scale requirement or qualify for the transition pathway. The DWP suggests that (on historic figures) a scheme with £5bn today might achieve £25bn within 10 years on the basis of organic growth alone.

TPR says smaller DC schemes should consider consolidation

The Pensions Regulator published a blog post urging the trustees of smaller DC schemes to consider the possibility of consolidation or winding-up. TPR also published new consolidation guidance, and overhauled its guidance on winding-up.

TPR warns that smaller DC schemes may struggle to comply with requirements under the new Pension Schemes Act, including as to guided retirement, small dormant pots and value for money. Trustees should consider now whether they will be able to comply, or whether members would receive better value through consolidation into a larger scheme.

"Smaller" is not formally defined, but TPR's comments are directed primarily at schemes with fewer than 5,000 members.

The consolidation guidance focuses on the possibility of transfer to a master trust. The guidance covers factors for trustees to consider when deciding to consolidate, the advantages of master trusts, and the process for selecting and engaging with a master trust.

The winding-up guidance covers key steps and decisions on the wind-up of a DC scheme, including termination, the transfer or buy-out of benefits, communication with members and arrangements for trustee protection.

Comment: TPR says that trustees of smaller DC schemes must not take a wait-and-see approach. They should assess future viability now, looking, for example, at data quality, governance standards and potential transfer or wind-up options.

Data Act introduces new complaints requirement

A new requirement as to data protection complaints will apply from June 2026, under the Data (Use and Access) Act 2025.

The Act provides for modest reforms to the existing data protection regime, mostly with a view to easing the compliance burden. Some of the reforms may be relevant to trustees in their capacity as "controllers".

With effect from 19 June 2026, data subjects will have a statutory right to make a complaint to controllers if they believe there has been a breach of data protection law. Controllers must acknowledge complaints within 30 days, and respond "without undue delay".

Controllers must take steps to inform data subjects of their right to complain, and must have mechanisms in place for the submission of complaints (eg a form and/or email address).

The Information Commissioner's Office has published associated guidance.

Comment: The Act does not require controllers to have a dedicated complaints procedure. But trustees should note that the prescribed timescales for responding are potentially more demanding than those under the "IDRP" legislation.

For a general overview of changes made by the Act, see the blog post from our data protection team.

HMRC outlines support for NMPA change

In a newsletter, HM Revenue & Customs announced arrangements to support the forthcoming change in "normal minimum pension age" (**NMPA**).

NMPA will change from 55 to 57 on 6 April 2028. Transitional regulations are being prepared. The newsletter provides "early background" as to the intended scope and effect.

The regulations will apply to members who have reached age 55 by 5 April 2028, but have not yet reached age 57. Broadly speaking, the proposals for in-scope members are as follows:

- **Pension payments:** If a member takes specified steps to access their pension benefits by 5 April 2028, payment of the benefits can continue after that date.
- **Pension commencement lump sum (PCLS):** If a member becomes entitled to a lump sum by 5 April 2028 and it would have been a PCLS if paid on that date, it can be paid as a PCLS after that date.
- **Uncrystallised funds pension lump sum (UFPLS):** No transitional arrangements are proposed. An UFPLS cannot be paid after 5 April 2028 unless a member has reached age 57 (or protected pension age, if applicable).

The newsletter provides further detail and examples.

Comment: We expect draft regulations to be published for consultation shortly.

Much will depend on the small print; for example, on whether by 5 April 2028 a member has become "entitled" to a relevant benefit, within the meaning which HMRC attach to the word.

TPR paints positive picture of scheme funding

The Pensions Regulator published its 2026 annual funding statement. The statement is primarily for schemes with valuation dates between 22 September 2025 and 21 September 2026, but will also be relevant to other DB schemes.

TPR estimates that, as at 31 December 2025, 90% of schemes were in surplus on a technical provisions basis, with 80% in surplus on a low-dependency basis and 60% on a buy-out basis.

With improved funding levels, TPR suggests that the focus of trustees and sponsors should shift towards endgame planning.

The statement seeks to provide clarity on issues relating to the new funding regime: the employer covenant, supportable risk, and low-dependency funding and investment.

Comment: TPR hints that, if funding remains strong, "some changes to our regulatory approach ... may be appropriate". There might, for example, be a future easing of the parameters for TPR's "Fast Track" approach.

Industry bodies provide further dashboards guidance

The Pensions Regulator published new materials about pensions dashboards, including updated guidance and checklists for schemes.

The Pensions Dashboards Programme published updates on testing of the MoneyHelper dashboard and proposed reporting standards. The Pensions Management Institute published its 2026 Dashboards Guide.

TPR's updated guidance "provides clarity on areas we are often asked about". Topics covered include:

- **Members in and out of scope** – eg the position where a member has taken some but not all of their benefits under a scheme.
- **Illustration dates** – TPR says that, if a scheme has two or more sections or benefit types, different illustration dates can be used for the different benefits.

Comment: The dashboards legislation requires schemes to use a single illustration date when presenting information to a member. But this may be difficult or impossible if the member has different benefit types. The guidance will provide comfort in cases where trustees take a "non-compliant" approach.

PPF confirms nil levy

The Pension Protection Fund confirmed that conventional schemes will not be charged a levy for 2026/27, and finalised its levy rules accordingly. There will be a modest levy for "alternative covenant schemes" such as superfunds.

Comment: Some of the filing requirements associated with the levy will fall away; the PPF's announcement explains. But schemes will still need to submit annual returns and section 179 valuations via Exchange.

FCA consults on streamlining advice regime

The Financial Conduct Authority launched a consultation on plans to update its rules about pensions and investment advice.

The rules as they stand allow firms to provide simplified advice, but few firms choose to offer it. The FCA proposes to modernise and clarify the rules, in a bid to "revitalise" the provision of simplified advice.

The FCA is also proposing some changes to its rules about ongoing advice and "trail commission".

The consultation closes on 22 May 2026.

Comment: This is the last in a series of steps which the FCA has taken to reform the advice market. "Targeted support", introduced in April 2026, will mean that firms can send savers readymade suggestions. But many people will still want or need individual advice.

In a bid to boost overall provision of advice, the FCA wants to make it easier for firms to offer a simplified variant in suitable cases – for example, where a saver wishes to invest a lump sum into a single investment.

Changes planned for Financial Ombudsman

The Government published a consultation response confirming that it would push ahead with its proposed overhaul of the Financial Ombudsman Service. The Ombudsman and the Financial Conduct Authority launched a consultation on changes which they propose to make in the meantime.

The Government's proposed changes include a modified version of the "fair and reasonable" test which the Ombudsman applies, and a 10-year longstop for complaints. The necessary primary legislation will be introduced when parliamentary time allows.

The Ombudsman and the FCA have identified near-term changes which can be made within the existing framework, to increase predictability and transparency. Among other things, they propose to change the factors which are prescribed for the purpose of the "fair and reasonable" test, and the grounds on which complaints may be dismissed.

Comment: Plans to reform the Financial Ombudsman Service were announced in the 2024 Mansion House speech. The Chancellor argued that changes were needed "to create a surer climate for investment".

Note that the Financial Ombudsman decides complaints on a different basis from The Pensions Ombudsman, applying a "fair and reasonable" test rather than black-letter legal principles. Both entities have powers in relation to personal pension schemes; a memorandum of understanding deals with the overlap.

Government seeks views on TUPE

The Government published a call for evidence on the Transfer of Undertakings (Protection of Employment) Regulations 2006, which govern the transfer of employment from one entity to another.

The Government is considering how the Regulations might be updated, "to support growth by facilitating smoother mergers and acquisitions". It seeks views on whether the current Regulations are effective.

The closing date for responses is 1 July 2026.

Comment: Question 5 relates to pension rights. As things stand, the Regulations protect contractual rights in respect of personal pension schemes, but most rights in respect of occupational schemes are carved out.

Court approves amendment for DB surplus

The High Court made a "blessing order" in favour of the trustee of a hybrid pension scheme. The Court authorised a clarificatory amendment to the scheme's rules to confirm that DB surplus could be used to subsidise DC provision, and an associated agreement: *HSBC Bank Pension Trust (UK) Ltd v HSBC Bank UK plc.*

There were three hard-closed DB sections in the scheme. All three had substantial surpluses on a technical provisions basis.

The amendment and agreement provide that, for a four-year period, the employer under each section may use surplus to fund DC contributions which it would otherwise have to pay, subject to certain safeguards. The employers and the trustee felt that cross-subsidy was permissible under the existing rules, but there was some uncertainty and they wished to put the matter beyond doubt.

It is estimated that the largest section has a surplus of £2.8bn on a low-risk funding measure, and that DC cross-subsidy will use about £152m of this per year.

Over the four-year period, the principal employer and the trustee will seek to reach agreement as to how residual surplus under the largest section will be used when the scheme is wound up.

The Court reportedly concluded that the decision to amend the rules was legally appropriate, had been reached by a proper process, and was one which the trustee could reasonably take.

Comment: We anticipate a rise in "blessing" cases in future years, with trustees and employers wanting to be sure that novel journey plans and surplus-sharing arrangements are permitted.

Court confirms member not entitled to early retirement benefits

The High Court dismissed an appeal from a determination of The Pensions Ombudsman, in a case involving the Electricity (Protected Persons) Pension Regulations: *McKavney v Serco Group PLC.*

Under the Regulations, the appellant (**MK**) enjoyed pension protections where his employment was transferred within the electricity industry. Prior to 2012, MK was employed by Serco and was a member of Serco's scheme. In 2012 his employment was transferred under TUPE to a Serco subsidiary, ESRC, which was subsequently sold to AMEC. MK joined AMEC's scheme for future service but did not take a transfer from the Serco scheme.

In 2015, ESRC made MK redundant at age 56. The AMEC scheme paid him an unreduced early retirement (**UER**) pension, but he was told he did not qualify for one under the Serco scheme. MK complained to TPO, arguing that he had qualified for a UER pension in 2012 when his employment was transferred and ESRC was sold.

Under the Serco scheme's Rules, a UER pension was payable if an active member was compulsorily retired due to redundancy or reorganisation, or if a member left pensionable service in those circumstances. TPO found against MK, concluding that these conditions had not been met.

The High Court upheld TPO's determination. MK had not been "compulsorily retired" in 2012, as that phrase naturally described an involuntary termination of employment, not a change of employer under TUPE. There had been no redundancy or reorganisation as contemplated by the Rules, nor had MK's service ended. Furthermore, a construction whereby active members had UER rights on a TUPE transfer would have been inconsistent with the transfer right provided for in the Regulations, which informed the Court's construction of the Rules.

Comment: For the purposes of the Serco scheme, the 2012 TUPE transfer did not amount to compulsory retirement, redundancy or a reorganisation.

The usual caveat applies: scheme rules must be interpreted in context, and, as demonstrated by the recent case of *3i v Decesare*, the construction of a given term may differ as between one scheme and another.

Court supports trustees' right to recover legal costs

The High Court found in favour of the trustees of a family trust, as regards the costs of prior legal proceedings: *Smith v Campbell.*

In the prior proceedings, beneficiaries had asked the Court to remove the trustees, alleging misconduct and a breakdown in relations. The Court held that the alleged misconduct did not warrant removal, but that two of the four trustees should be removed on "breakdown in relations" grounds.

In a subsequent hearing, the Court ruled that:

- The trustees should not bear the beneficiaries' costs, because the beneficiaries had been only partially successful, and had not complied with court rules as to pre-action correspondence and mediation.
- The trustees could meet their own costs from the trust, under section 31 of the Trustee Act 2000. This statutory indemnity allows trustees to recover from trust assets any "expenses properly incurred ... when acting on behalf of the trust". The relevant costs in this case had not been improperly incurred. It had been reasonable and proper for the trustees to defend themselves against the misconduct allegations, and they had tried, reasonably and in good faith, to address the beneficiaries' concerns about a breakdown in relations.

Comment: Two trustee-friendly points emerge from the judgment: trustees may be "acting on behalf of the trust" (for the purpose of the statutory indemnity) even where they are defending their own position; and, if there is doubt about whether costs were properly incurred, trustees will be given the benefit of the doubt.

Pension scheme trustees will often have an express indemnity under the scheme's governing documents, and so may not need to rely on the statutory indemnity. However, the principles discussed in this case are likely to be relevant when interpreting and applying an express indemnity.

Ombudsman holds employer liable for transfer delays

The Pensions Ombudsman upheld a complaint against an employer for failing to complete transfer documentation in a timely manner.

The relevant member had sought to transfer his benefits from one public sector scheme to another. To facilitate a transfer on advantageous "Club" terms, the member's application had to be submitted to the receiving scheme within 12 months of his becoming eligible to join.

The member asked his employer to complete a necessary form in March 2021. Despite repeated follow-ups, the employer did not return the completed form until June 2021. By then the guarantee period for the initial transfer quotation had expired. Subsequent delays pushed the member's application beyond the 12-month window for Club terms.

A TPO adjudicator initially concluded that, while the employer's delay amounted to maladministration causing distress and inconvenience, it had not caused the member to lose the chance of a Club transfer.

The Deputy Ombudsman took a different view. She held that the employer owed the member duties under both contract and common law. A term was implied into the employment contract requiring the employer to take reasonable and timely steps to enable the member to exercise his right to request a Club transfer. Alternatively, the employer owed a common law duty of care, having assumed responsibility for completing the necessary form.

Accordingly TPO upheld the member's complaint. The employer was directed to make good the member's financial loss, either by procuring a Club transfer or by paying compensation, and to pay him £500 for distress and inconvenience.

Comment: Whilst employers do not generally have fiduciary duties, they do have a contractual obligation to take steps to enable employees to exercise their benefit rights: *Scally v Southern Health and Social Services.*

The Deputy Ombudsman drew on the *Scally* principle, and took a robust view as to causation. There were delays by various parties involved with the transfer, but there had been no good reason for the employer to take three months to complete and return a simple form; the member could reasonably have assumed that the process would take "no more than a day or two".

Other news

Other developments over the quarter included the following.

- **CDC Code.** The Pensions Regulator finalised its new Code of Practice for collective defined contribution schemes, discussed in a previous Pensions Planner. The new Code is expected to come into force in October 2026.
- **Master trust regulation.** TPR announced changes to its reserving requirements for master trusts, and said that it would publish data on reserves from 2027 onwards.
- **Superfunds.** TPR updated its superfunds guidance, mainly to increase the discount rate for "minimum TPs" purposes; now gilts + 1% p.a..
- **DC market report.** TPR published its annual report on the DC landscape. The report highlights the dominance of master trusts, with smaller DC schemes continuing to exit the market.
- **DC consolidation.** TPR published a report on DC consolidation and economies of scale. According to TPR, evidence is emerging that members can benefit from increased scale, but the benefits are not unequivocal or guaranteed.
- **Scams.** TPR urged trustees to be vigilant, following an increase in "impersonation" fraud. The Pension Scams Action Group updated its checklist for scheme members.
- **Tax newsletters.** HM Revenue & Customs published Pension Schemes Newsletters 178, 179 and 180. Topics covered include member protections and inheritance tax, as well as the change to normal minimum pension age discussed above.
- **FCA priorities.** The Financial Conduct Authority published a report outlining pensions priorities for 2026. The report confirms that the FCA will finalise the new value-for-money framework this year, with a view to launch in 2028. Other priorities include fostering support for consumers and growth and innovation.
- **"Open finance".** The FCA set out its vision for open finance – an arrangement for secure sharing of data, to facilitate access to financial products. The FCA will identify potential use cases in 2026, with a view to the launch of an open finance regime in 2027.
- **"FundedRe".** The Prudential Regulation Authority announced plans to change its rules for buy-in/buy-out providers who use "funded reinsurance". The changes will likely apply to new business from 1 October 2026. Providers will be required to hold more capital than under current rules in respect of any associated FundedRe.
- **Guided retirement.** The Pensions Administration Standards Association published guidance which highlights the challenges for administrators with the advent of default retirement solutions.
- **Administration guidance.** PASA published guides on the trustee-administrator relationship, along with a pro forma scorecard. PASA also published guidance on contingent spouse data.
- **"Wake-up" packs.** MoneyHelper updated its guide for retiring DC members, now called "How to take your pension".
- **Clara deal.** Superfund Clara-Pensions announced its fifth transaction, covering 500 members of the Videndum DB Pension Scheme.
- ***McCloud: Ombudsman's approach.*** The Pensions Ombudsman published an update on its approach to complaints about public sector pension changes.

In the pipeline

The next six months

Pensions roadmap

The Government has said that it will update its roadmap, which lists target dates for the various pensions reforms. Some of the current targets are likely to be pushed back.

Surplus sharing

We expect the Government to consult on the new surplus sharing regime. The Government previously said that it was "minded to" prescribe a low-dependency funding test. Also expected: initial guidance from The Pensions Regulator.

IHT regulations

The Government will consult on information-sharing regulations for the purpose of the new inheritance tax regime, likely in Q2 2026.

NMPA change

HM Revenue & Customs has promised a consultation on regulations to support the change to normal minimum pension age, discussed in this Planner.

Pensions Commission

An interim report, covering "strategic direction", is expected in Q2/Q3 2026.

UME CDC

Unconnected multi-employer CDC schemes will be permitted as from 31 July 2026. UME CDC schemes, like single-employer CDC schemes, will be subject to authorisation by The Pensions Regulator.

Verity Trustees v Wood

Judgment is still awaited in a complex case concerning TPT, an industry-wide scheme. The hearing was in Q1 2025. Among other things, the court considered questions arising from *Virgin Media*.

Timeline

To September 2026

"Connect by" dates for dashboards

These are the expected connection dates specified in the DWP's staged timetable. The applicable date depends on a scheme's size and type

2026-2028

State pension age

Increases to 67. In the meantime, the Government will conduct a statutory review

Mid-2026

Surplus sharing

Consultation on conditions for refunds from ongoing schemes

Mid-2026

Pensions Commission

Interim report expected

Mid-2026

Guided retirement

DWP to consult on detailed policy

31 July 2026

Multi-employer CDC

Launch date for "UME" regime

31 October 2026

Longstop date for dashboards

The mandatory deadline for connection. The "go live" date for dashboards has not yet been set

April 2027

Death benefits and inheritance tax

Changes to the IHT regime

Q2 2027

Pensions Commission

Commission to submit final report, covering adequacy and fairness

Late 2027

Surplus-sharing

Statutory refund power for trustees of ongoing schemes

2026

2027

Late 2027
Guided retirement
Proposed implementation date for master trusts

2028

January 2028
Retirement CDC
Proposed launch date for decumulation-only regime

April 2028
Guided retirement
Proposed implementation date for own-trusts and GPPs

April 2028
Value for money
Proposed launch date for new framework and "contractual override"

April 2028
Superfunds
Proposed launch date for new statutory regime

6 April 2028
Increase in normal minimum pension age
NMPA increases to 57. The change affects people born after 6 April 1971

2029

April 2029
Salary sacrifice
NIC savings limited to first £2,000 sacrificed each year

2030

2030
Indexation
RPI to be aligned with CPIH

2030
Megafunds
Proposed launch date for "minimum size" requirement for multi-employer DC

2030
Small pot consolidation
The Government plans to phase in consolidation, starting in 2030

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