Department
for Work &
Pensions

Workplace pensions: a roadmap

Delivering for savers and the economy

June 2025

Ministerial Foreword

People think about the world of pensions as staid and stable. But the truth is a huge amount of change in our pension landscape is underway. Rightly so.

Major shifts – not least of many Defined Benefit schemes into surplus – mean new questions are being asked of us that require answering.

More importantly change is required even without the world changing. We rightly celebrate the progress of the last decade in getting people saving, but it’s time to complete the job. The task for the second half of the 2020s is to build not just savings pots but a pensions system. A system that delivers the very best it can for savers and for the economy as a whole.

The stakes are high. The quality of our pension system determines our living standards through what we all hope are decades in retirement. But it also underpins our wider economy as one of the largest domestic pools of capital. Those goals, and roles, are not in tension with each other in the way I often hear people claim. After a decade and a half of stagnation in UK productivity and wages, there is nothing more important for UK workers and pensioners than returning growth to our economy.

One of our big advantages in bringing this change is an increasingly shared sense across policy makers and industry of where we need to get to. In complex ecosystems – and pensions is definitely one – a shared understanding of the destination is crucial to industry, individuals and government taking the right decisions to all pull in the same direction.

That is why we owe it to everyone to spell out how the myriad changes now underway fit together. This is what this roadmap aims to provide. In so doing it spells out the phasing of reforms we are engaged in. Some will be impatient for swifter progress, others concerned by how many things are to be done in quick succession. In thinking about this timeline, I have balanced the need for change with the reality that all institutions face capacity constraints in implementing change. And yes, that includes government.

Today we are introducing the Pension Schemes Bill to Parliament. This will legislate for the outcome of the Pensions Investment Review - a smaller number of bigger, better governed, better value pension providers investing in a wider range of productive assets. The Bill will also legislate for wider changes, from addressing the small pots problem to a value for money regime that focuses everyone on the returns being delivered for savers to duties on those who run pension schemes to put savers into default pension benefit solutions.

For Defined Benefit schemes, we will legislate via the Bill to allow trustees of well-funded schemes, greater flexibility to access surplus funds of their scheme. It will also allow the Pension Protection Fund to reduce the levy it collects, given its reserve. Both of these measures – as well as the creation of a permanent regime for DB Superfunds – will support growth by allowing funds to be allocated more efficiently whilst ensuring DB pensions can remain a long-term pipeline for investment.

I understand why some will want the focus to instead be narrowly on how much individuals and employers put in, but the prior question is ensuring that people get as much out of their savings as possible. Rates of return, and the risks we ask individuals to bear, are as important as rates of savings to pension outcomes.

My priority is to have these changes underway. I am then looking forward to launching the second phase of the Pensions Review shortly. This will focus on the adequacy of retirement incomes and the fairness of the system that has persistent inequalities within it.

It is 20 years since the Turner Commission, and it is time to build on that legacy by completing the job. I am alive to the challenges of doing so, but we should take confidence from the policy challenges we have overcome before; the challenges of the 1990s, where the threat of employer insolvencies risked leaving employees with empty promises, and of the 2000s, where millions were saving nothing for their retirement at all.

Governments are like people in one important way: they can easily put off thinking about pensions until it is too late. We must not do that, and we are not doing that. I know the task is to finish the job – to celebrate that people are saving something, but recognise our job must go beyond that: to build a pension system. This roadmap helps chart the course.

Torsten Bell MP, Minister for Pensions

About this document

This document brings together the reforms to private pensions announced by the government to date into a single strategy for delivering a private pensions system fit for the future. It gives details of proposed implementation of reforms, their interactions and the ultimate outcomes we want to achieve in defined benefit, defined contribution and collective defined contribution markets.

This document is to be read alongside the recently published outcome of the Pensions Investment Review, the government response to the Options for Defined Benefit Schemes consultation and the Pension Schemes Bill as introduced.

Timings are very much indicative and subject to Parliamentary time where required.

How the challenges we are grappling with have changed

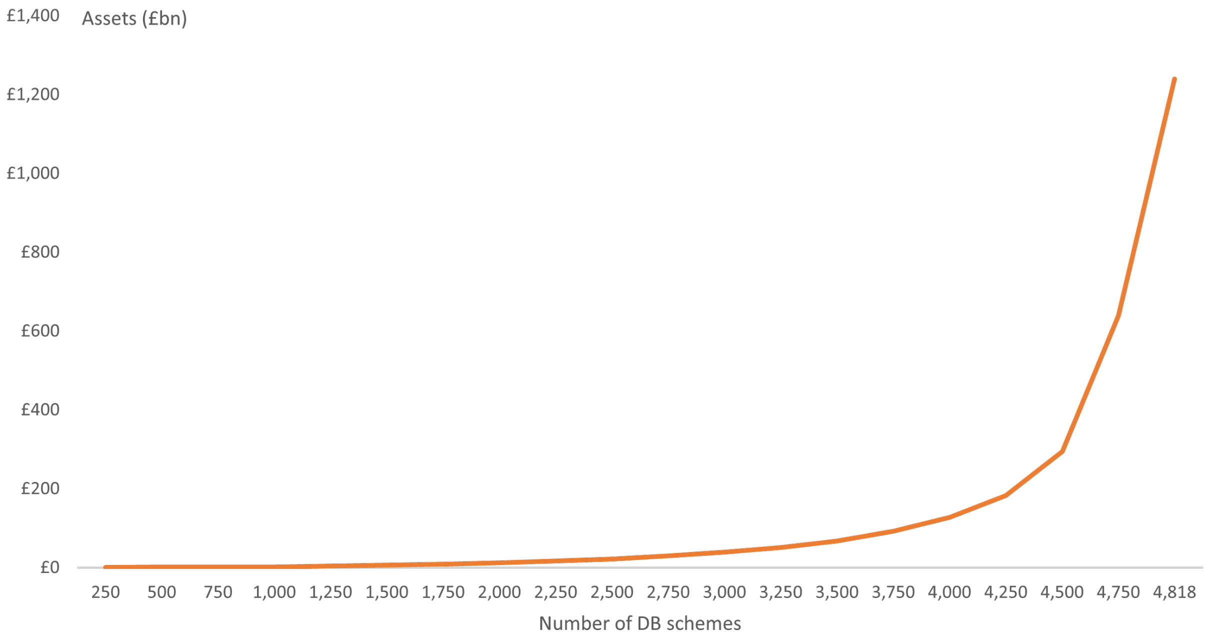
1. The policy challenge of the 1990s was to secure Defined Benefit (DB) pensions in the face of lower interest rates, changing demographics and employer insolvency. Policymakers and regulators rose to the challenge here and ensured that accrued benefits in DB schemes would continue to be the primary source of retirement income for millions for decades to come.
2. Following the turn of the millennium, the problem of participation in any form of pension saving emerged as the main policy challenge. It became the focus of policymaking in the 2000s. By the late 2000s, just 42% of private sector employees who would later become eligible for Automatic Enrolment (AE) were enrolled in a workplace pension, and this figure was falling[1]. Meanwhile there was a 5-percentage point gap in pension participation for men and women who would become eligible for AE in the private sector. The lowest earners were even more likely to be missing out with less than 1-in-5 of those earning £10k-£20k saving into a pension[2].
3. Policymakers again met this challenge in the past decade, bringing millions into retirement saving via AE who simply would not have otherwise made the active decision to put away money each month or, even if they had made that decision, would not have been well-served by the market. Its success is visible in today's workplace pension coverage. The UK's position towards the bottom of the pension participation rate OECD league table has been flipped on its head[3] with 22.3m employees in a workplace pensions scheme, including 88% of AE eligible employees[4].
4. The challenges of the DB security and overall participation were different and, whilst they persist to a degree today, both they have been overtaken by new challenges that have come to the fore.

The challenges of today

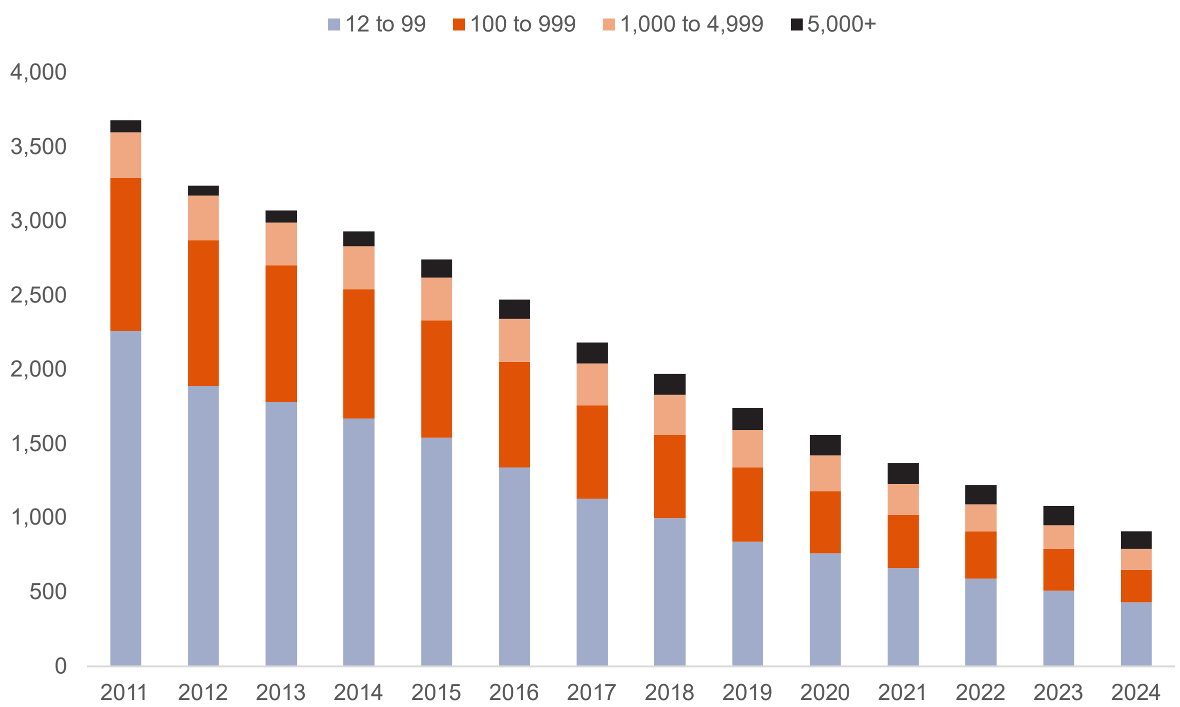
5. The UK has the second largest pensions system in the world but it has not developed with an eye to its inevitable role, as our largest source of domestic capital, in underpinning British capitalism. Few would argue that this capital is being efficiently deployed to drive economic growth or the best possible returns for savers. With assets scattered across various providers and various defaults, the benefit of having a system worth £2trn is untapped as these smaller schemes do not have the market power needed to reduce costs, forge the best strategy or become active owners of assets.

[1] Workplace pension participation and savings trends: 2009 to 2023 - GOV.UK
[2] Workplace pension participation and savings trends: 2009 to 2023 - GOV.UK
[3] For example, OECD Pensions at a glance (2013)
[4] Workplace pension participation and savings trends: 2009 to 2023 - GOV.UK

2,000 DB schemes hold around £10bn in assets, showing the fragmentation in the DB landscape[5]



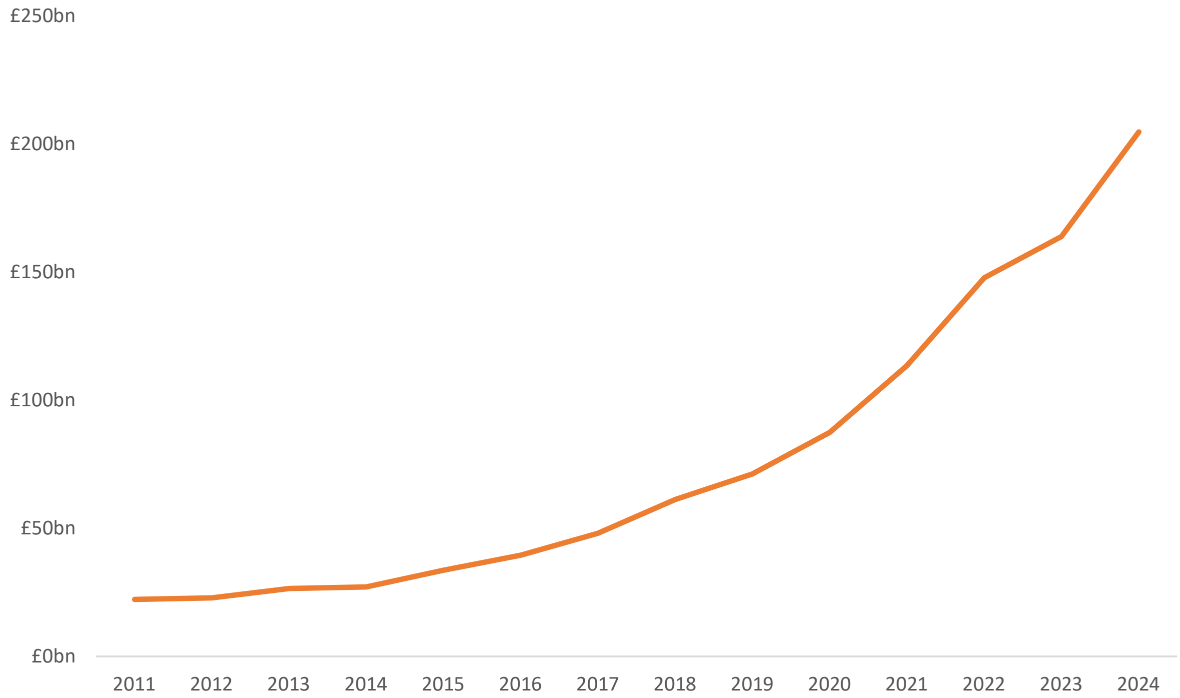
Although consolidation is happening across the DC landscape, there remain 100s of schemes with fewer than 100 members[6]



[5] [Estimated DB scheme universe funding splits and assets under management | The Pensions Regulator]
[6] [Occupational defined contribution landscape 2024 annex | The Pensions Regulator]

6. For savers, membership of sub-scale schemes means savings can be less well-governed and cannot access a wide range of assets that may deliver better outcomes. They also can face higher charge levels and lower net returns[7].
7. This lack of scale is also the largest factor in the UK's lack of an active economic cornerstone. But there is a chance to get this right; the market for multi-employer DC saving is less than a decade old. This market will grow exponentially and – as long as it is consolidated – will in time form a pool of capital much more akin to the role DB schemes played historically and DC schemes play in other jurisdictions currently.

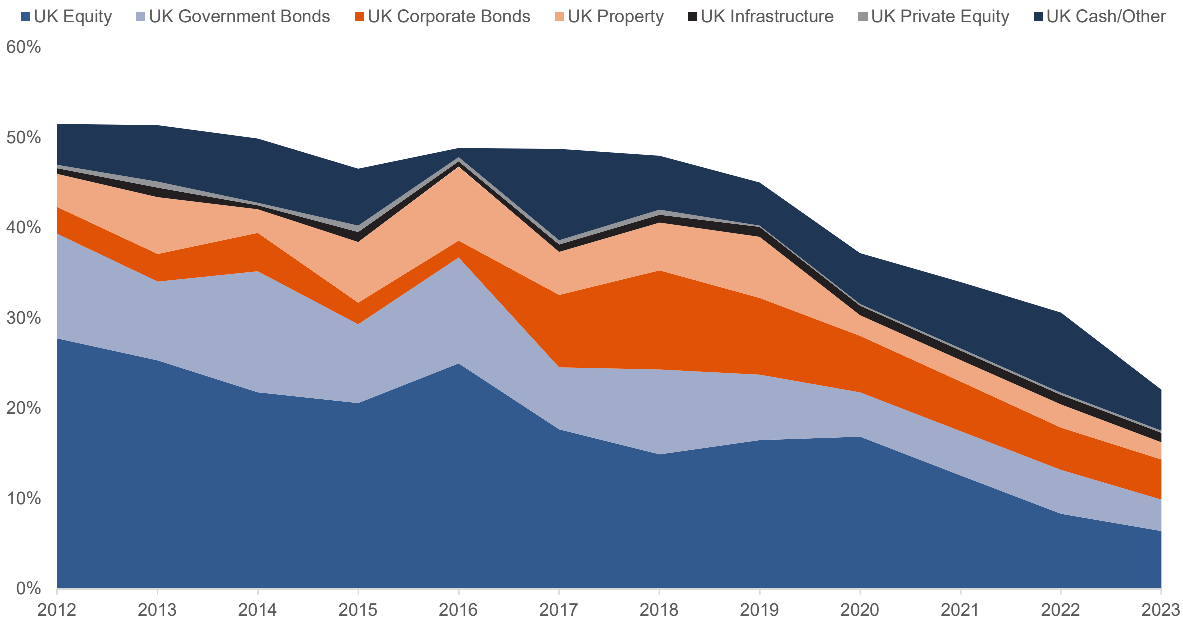
Assets under management in the DC Trust market have been accelerating in recent years driven by a small number of Master Trusts[8]



8. Pension schemes are in theory the cornerstone of economies. As one of the largest pool of assets in the economy – covering debt or equity, listed or unlisted – they contribute to financing, and stewarding the private sector investment. Schemes have played this role less and less in recent decades – weakening the financial plumbing of our economy. Pension schemes should act as reliable stewards of companies and assets in the UK, actively owning assets and companies on behalf of savers up and down the country. In 2012, DC schemes invested around 50% of their total assets in UK-based assets, this has fallen to around 20% today.

[7] Pension fund investment and the UK economy - GOV.UK
[8] Occupational defined contribution landscape 2024 annex | The Pensions Regulator

DC pension funds now hold a historically low proportion of UK-based assets[9]



9. For DB schemes, funding is at the highest level on record. Deficit reduction contributions have fallen significantly as a result; providing a cashflow benefit to employers of £10bn or more a year. This is a success, albeit one aided by interest rates having risen, giving millions a vastly strengthened chance of getting what they deserve in their retirement.

10. Whilst each scheme and sponsoring employer is unique, there is a collective surplus of around £160bn[10] across DB schemes in surplus which could be released to invest in the business itself and deliver for scheme members. That is the equivalent of the entire Master Trust market. Schemes and sponsoring employers need the opportunity to make a wider set of pro-growth choices for them and their employees.

11. The Pension Protection Fund acts as a safety net for those approaching or enjoying retirement to weather economic conditions. Its success – as a compensation scheme and as an investor – has created another pool of untapped capital, its reserve. Reaching £13bn in 2024, while the PPF reserve needs to be prudently managed to continue to provide protection against employer insolvency, levy payers are right to question the level of their ongoing payments when the priority for government is growth.

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[9] Pension fund investment and the UK economy
[10] Low dependency surplus for schemes in surplus:
Estimated DB scheme universe funding splits and assets under management | The Pensions Regulator

12. For DC schemes, the historic strength of global public equity markets and the suppression of fees via passive investment have no doubt democratised performance previously reserved for those with existing wealth.

13. Yet this trend has accelerated the diminution of our pension schemes as investors in the UK economy. In particular, few DC schemes currently have significant exposure to private assets in the UK. This is already changing, with many schemes starting to build greater capacity to invest in a wider range of assets. But this trend needs to be accelerated in order to see schemes fulfil their potential as long-term patient investors in assets like infrastructure and scaling growth companies.

14. As well as our pensions landscape not maximising its potential to underpin our economy, DC savers are not being well-served on three further fronts.

15. Investment strategies are not sufficiently focussed on getting individuals the best outcome but have come to be designed with an excessively narrow focus on costs. The question too often is only "how can the cheapest possible asset allocation be constructed to win business from employers?" This can prevent savers seeing the maximum possible returns, with material impacts. Depending on the choice your employer made up to 13 years ago, you may be languishing in a scheme that consistently misses the bar on net returns. Over 5 years, the difference between the highest and lowest performing schemes for £10,000 invested would have amounted to as much a £6,000[11].

16. The second inefficiency is that each time you change employer, a new pension pot is often created. Given the nature of the labour market, for millions this means leaving behind small pots that are at risk of being lost and which drag on the benefits of scale by increasing costs.

17. Thirdly, when you arrive at pre-retirement as a DC saver, you are responsible for purchasing or selecting a product that is value for money and suits your circumstances, including the highly uncertain question of how long you will live. None of the lessons we have learnt on inertia and saver preferences in accumulation, through the success of AE, is replicated in decumulation. Developments in advice and guidance such as the targeted support proposals being developed by HMT and the FCA will improve available support versus the status-quo. However, the significant information asymmetries and low engagement persist. The present system also reduces opportunity for maximizing investment in growth assets to and through retirement because around the point a person makes a choice there is a built-in need for both liquidity and low risk assets.

[11] Using LINE - YOUNGER 5-YEAR - capaDATA, difference between the highest performance (12.41%) and lowest performance (3.47%).

Responding to today's challenges

18. The starting point for the solution to these challenges is scale. Scale via consolidation must be built into DC and DB (including LGPS) schemes.

19. Scale brings better governance. As TPR has found[12], the larger a DC or DB scheme is, the much more likely it is to be meeting its duties to provide members with information about their savings, to be knowledgeable on investment and to manage risk. Better governance also supports better investment decision-making.

20. Scale brings lower costs. Average costs per member in DC are lower in bigger schemes. This goes for both investment and administration. Scale is also a necessary condition for schemes to build in-house investment capacity, further reducing intermediary costs.

21. Scale brings better investment strategies. Size, ongoing flow and expertise mean bigger schemes are better able to invest in a wider range of assets, including in private markets. In DC, a recent TPR survey also found Master Trusts were significantly more likely to hold investments in a diverse range of assets compared to small & micro schemes, with 50% of Master Trusts planning to increase their allocation to alternative assets over the next 12 months compared to around 10% of small/micro schemes[13].

22. Collectively, these benefits will drive better outcomes and economic growth. A consolidated market with a small number of well governed, more efficient and more diversely invested pension schemes will ensure DC schemes fulfil their potential, replacing private sector DB schemes in their role as one of the principal investors and stewards of UK assets.

DC Minimum Size and default arrangement consolidation: This will accelerate the existing consolidation process, to ensure the market is shortly characterised by DC Megafunds. Minimum size requirements for a main scale default arrangement of £25 bn or more will see the vision for at-scale arrangements delivered by 2030. Limited exemptions, an additional time-limited pathway for mid-scale schemes, and a new entrant pathway will maintain a competitive market whilst ensuring fragmentation of assets and defaults is reduced. The government will undertake a programme of work in coming years to review the progress of this consolidation, with a specific focus on working alongside the FCA and TPR to assess whether enough has been done to reduce fragmentation within providers and that there are good reasons if smaller arrangements persist.

[12] For example: Defined Contribution trust-based pension schemes research
A more detailed outline on the benefit of scale can be found in Chapter 4 of this report: Pension fund investment and the UK economy - GOV.UK

[13] https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/dc-trust-based-pension-schemes-research-report-2024.ashx

Local Government Pension Scheme: The reforms to investment management and governance will mean workers' contributions are well-spent and well-invested to deliver value for money. The new minimum standards for asset pooling will ensure assets are working together to unlock the power of the LGPS for beneficiaries and the economy.
DB Superfunds: By setting out a permanent regulatory regime, we will ensure this market thrives in its potential to create larger vehicles for consolidating DB schemes that cannot reach buy-out, providing greater security to members and supporting economic growth.

23. Alongside measures to drive consolidation and boost scale, we are taking forward reform to remove barriers trustees face to deploying the capital they steward to the benefit of the economy and their members. This includes allowing contract-based schemes to consolidate internally, reducing the number of default arrangements to prevent fragmentation of assets, building streamlined funds.

> **Contractual override:** Ensuring contract-based DC schemes providers can move or consolidate their schemes and members' pots to reduce fragmentation and improve outcomes. Measures in the Bill will enable contractual override and bulk transfers which will make this easier, with adequate protections that ensure it is in savers best interests.

24. It is the primary focus of this government to ensure growth improves and increased investment is a key pillar of the government's overall economic strategy. The government is doing its bit on the public investment side, boosting capital spending by over £100bn over this Parliament.[14]

25. Private sector investment however makes up the vast majority of investment. The government aim to support the trend already underway, for more schemes to seek exposure to private assets, including in the UK. This is epitomised in the industry-led Mansion House Accord of 13 May 2025.

> **Mansion House Accord:** Seventeen defined contribution pension scheme providers committed to invest at least 10 per cent of their main default funds in private assets, with at least 5 per cent earmarked for the UK, by 2030. Collectively, these schemes manage around 90 per cent of active savers' pensions[15].

[14] Autumn Budget 2024 (HTML) - GOV.UK
[15] Pension schemes back British growth - GOV.UK

26. The government also recognises its role to support this diversification of investment. Through initiatives such as the British Growth Partnership, the establishment of the National Wealth Fund and continued support for Long Term Asset Funds (LTAFs), the government is creating opportunities for pension schemes to more easily invest in the UK's biggest growth opportunities. Significant regulatory and planning reforms will also ensure a stronger pipeline of housing and infrastructure projects (including clean energy projects).

27. Given the clear industry leadership on increasing investment in private assets, including in the UK, the government is prioritising supporting this work rather than mandating it. It is however important to be certain that meaningful change in pension schemes' investment in productive investments takes place, and the industry has been clear that there is a risk of a collective action problem that can prevent them delivering the best possible returns to savers. To that end the government has included a power in the Pension Schemes Bill before Parliament to enable it to set mandatory investment targets for schemes, if, and only if, industry change does not take place as envisaged by the Mansion House Accord. This power will be a "last resort" power, with clear safeguards to protect savers' interests.

28. It is also important that in addition to ensuring private investment from pension schemes is unleashed, that private investment by businesses is not unduly limited. Across the DB landscape, schemes are collectively funded at over 110%[16], giving the opportunity for some trustees in the UK to safely release surplus funding to support investment or enhanced members benefits.

Surplus flexibilities: We will allow well-funded DB pension schemes to safely release some of the £160bn surplus funds to be reinvested across the UK economy and to improve outcomes for members.

29. The other lever of businesses ability to invest we hold in the pensions system is contributions by levy payers to the Pension Protection Fund. Contributions to date have underpinned the Pension Protection Fund (PPF) and helped generate its strong reserve which currently sits at £13bn. Given this healthy funding position, the PPF will be reviewing its future collections, and we want it to have all options in scope. Indicating its support for this change, the PPF Board has more than halved the levy to £45mn for 2025/26 and it could be reduced further, pending legislative change. This is a statement of faith in the UK's pensions lifeboat and in levy payers, unlocking millions of pounds for schemes and enabling employers to invest in their businesses and grow the economy. Legislative progress on the PPF levy will also give the Board of the PPF the confidence it needs to set the levy at

[16] Low dependency basis: [Estimated DB scheme universe funding splits and assets under management | The Pensions Regulator]

an appropriate level in advance of the coming into force of DB surplus and superfunds regulations.

PPF Levy: We will ensure changes mean that the PPF Board has greater comfort when it comes to setting its annual levy.

30. Together, measures to build scale and remove barriers to private investment will support growth whilst ensuring schemes deliver for savers and businesses can invest in the economy. However, there are wider barriers within the system – not isolated to scale and investment – which risk limiting the effects of these measures on members.
31. There does not currently exist a single view of scheme performance. Without this, it is harder to raise standards as trustees and managers of schemes are not able to set a benchmark against which they should compare themselves. The first step is to ensure this data is out there and then ensure that trustees and managers are taking the right steps to address any issues with member outcomes, as the absolute core of their role. This will also be essential as DC schemes consider their future path in the context of the minimum size and default arrangement consolidation measures.

Value for Money: The objective of the value for money framework is to enable a shift in focus from cost towards value amongst employers, trustees and managers of workplace pension schemes. By encouraging a holistic view of value (assessing investment, costs and services), the framework aims to improve outcomes for pension savers through a potential improvement in performance (where achievable) or removal (where not possible) of poor performing pension schemes /arrangements from the market.

32. A pension, and a pension provider's, job isn't done once a saver enters retirement. Instead the task is to support them through as comfortable as possible a retirement.
33. Automatic Enrolment has been a success in increasing the number of people saving for their later life. However, this along with the shift to DC workplace pension provision and the introduction of Pension Freedoms has placed the onus on individuals to make complex decisions, reduced investment returns on savings and left individuals bearing very significant risks (not least on longevity), as they enter and during retirement.

Guided Retirement: We will place duties on trustees to provide one or more default pension benefit solutions' for their members, from which the member can choose to opt-out. Each member will be assigned a specific default solution, but there may be multiple solutions within a scheme depending on the aspirations of the membership as a whole. To deliver the intention of providing guided retirement across the market, we will require the FCA to make

comparable rules for the managers of workplace schemes and will work closely with the FCA to achieve this. Different schemes will choose different approaches to providing defaults, taking into account their members characteristics and preferences. Each will want to address the challenge almost everyone will face: how to secure the highest possible income in retirement alongside a degree of longevity protection.

34. Another way to ensure investment risks and longevity risks are better managed is via a Collective Defined Contribution (CDC) pension scheme. CDCs offer opportunities for schemes to pool pension pots up to and through retirement potentially improve outcomes and keep savings invested for longer, further boosting returns and providing an investment pipeline for the economy.

CDC: This Autumn, we will lay regulations which will come into force in 2026 to allow multiple unconnected employers to establish a CDC scheme. We are exploring ways to add to the suite of options available to trustees as they develop a default pension benefit solution for their members. Progressing work on CDC schemes to be used only in retirement, will allow some members with DC pots to access CDC benefits in their retirement, giving them a lifelong income.

35. The creation of individual pots each time an individual starts with a new firm has resulted in higher costs (driving around £240m a year of waste) and significant hassle, with some individuals' pots scattered across providers making them hard to keep track of. Flat rate charges can make smaller pots particularly bad ways to hold savings.

Small Pots: We are committed to tackling this problem by authorising providers to act as consolidator schemes which will see members small workplace pension pots (up to £1,000) automatically transferred into a small number of large, good value schemes, subject to certain requirements.

36. The solutions above seek to shape the market to deliver good outcomes for members *without* requiring their engagement. However, there are benefits for individuals in engaging with their pensions. Today, engagement remains constantly low, with many individuals demonstrating limited awareness and understanding of their retirement savings. We have the chance to change this with the Pensions Dashboard. Pension schemes are currently in the process of connecting to the dashboards ecosystem.

Pensions Dashboards: The introduction of pensions dashboards will help tackle this by providing users with their whole pensions picture, including workplace and state pensions, securely and all in one place online. By providing this comprehensive overview of retirement savings, pensions dashboards will address key barriers to engagement, such as information fragmentation, and aid retirement planning.

37. To further facilitate individuals' engagement, providers must be enabled to engage their members in the full spectrum of support, from guiding them to the services of the Money and Pensions Service through to full holistic financial advice. Consumers must get the support they need to make informed decisions about their finances with confidence

Targeted Support: The government is working with the FCA on the development of targeted support. Proposed FCA rules will enable firms to offer a new type of service, which is expected to be widely available, to bridge the gap between guidance and more bespoke financial advice, giving people better support in relation to their pensions. This will allow individuals to receive suggestions developed for a similar group of consumers

38. Overall, the Defined Contribution measures being introduced could have a material impact on pension savers retirement outcomes.

Roadmap

39. The below two roadmaps set out an indicative timeline for reform. The key takeaway here should be the sequencing rather than the precise timing. This will of course be subject to change, not least given many elements require Parliamentary approval of primary or subsequent secondary legislation.

40. DWP, HMT, TPR and the FCA will also undertake normal consultation and/or discussion paper phases. In cases where the regulations that are being consulted on are regulations made under powers in the Bill, consultation must wait until the Bill receives Royal Assent. Both roadmaps therefore show the earliest possible consultations i.e. for regulations on powers delegated to Secretary of State by the Bill, mid-2026, in most likelihood.

DC Roadmap

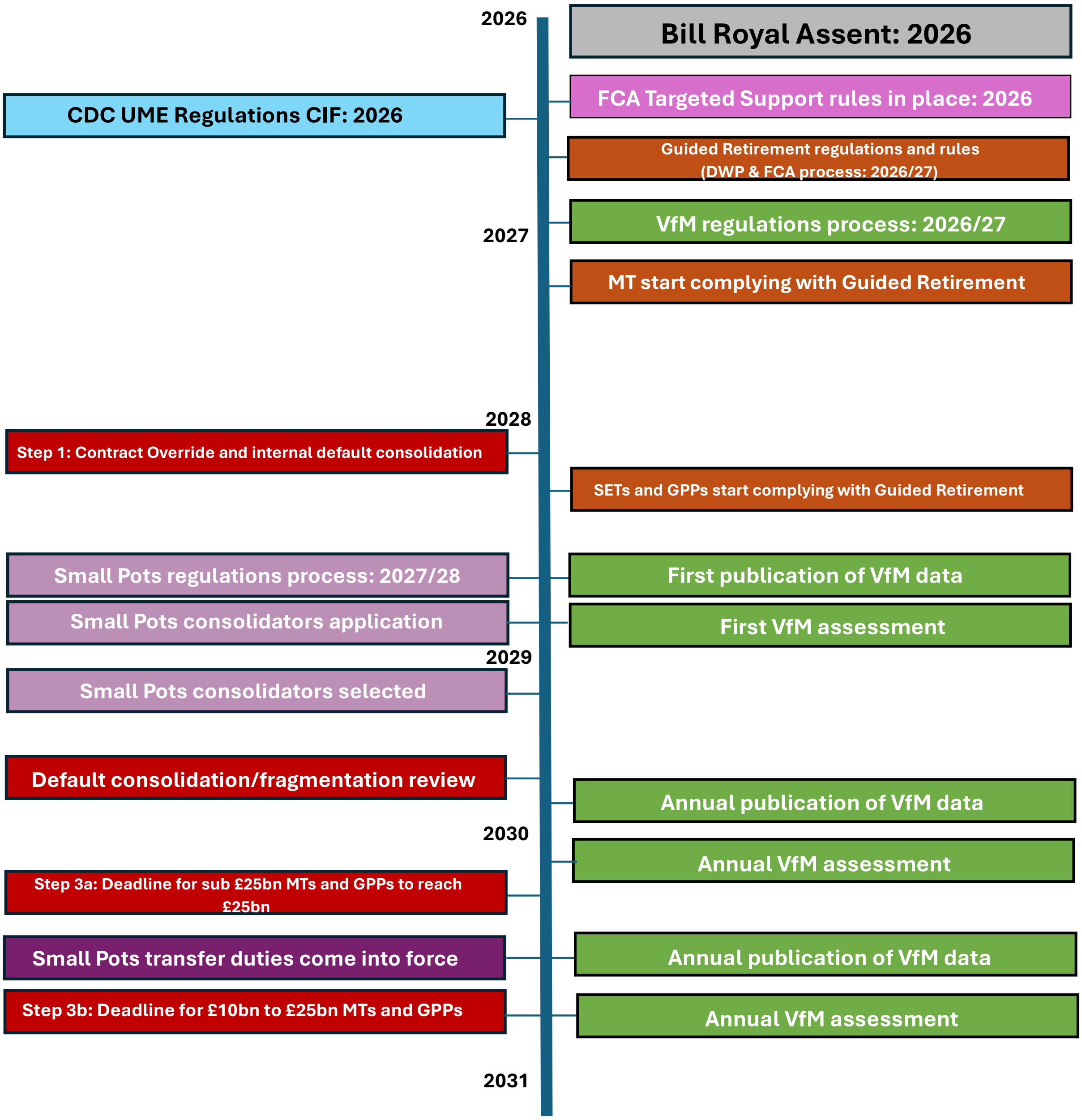
41. The timeline for implementation of measures affecting DC schemes is driven principally by the 2030 date for the minimum size requirement. The government sees this as the watershed date for the vision for the DC market of the future to be in place.

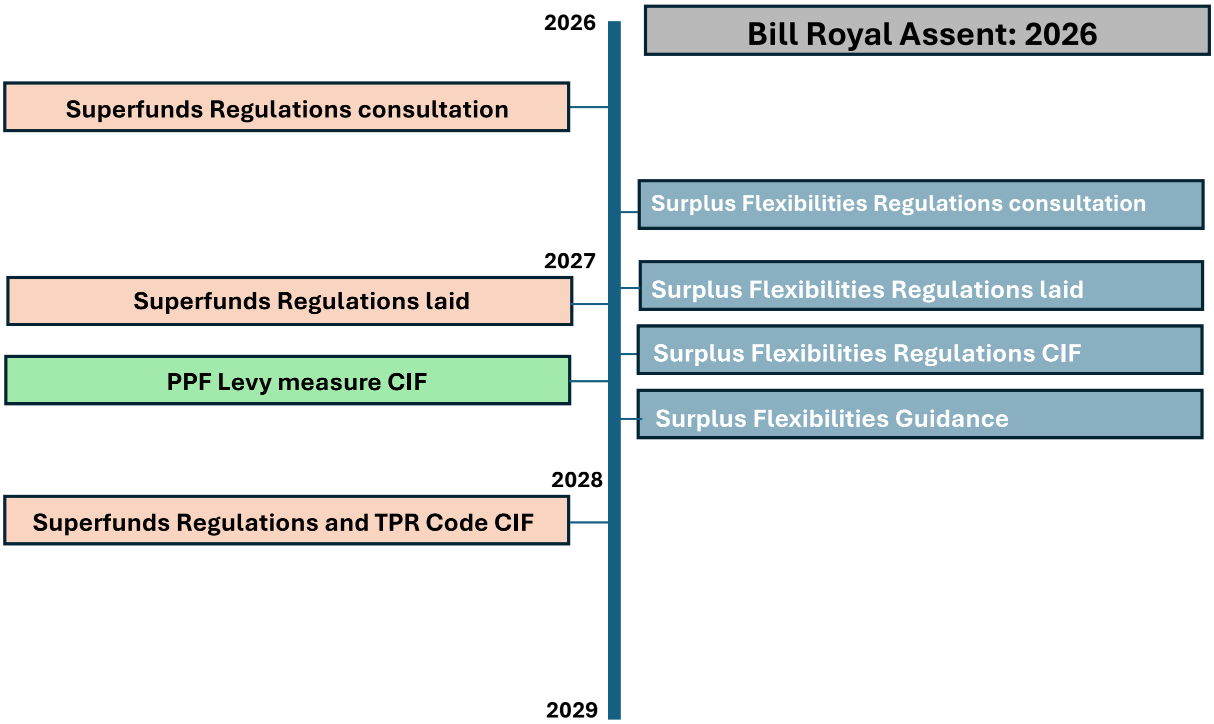
42. Working back from 2030, DC schemes of all sizes and types will be subject to requirements to conduct annual Value for Money assessments. Trustees will have to offer a default guided retirement product and this will also apply to group personal pensions. These two requirements offer clarity to trustees, employers and providers on their duties in the run up to 2030. This may help crystallise decision-making for some as they see the increasing bar of what it means to be

an AE scheme going forward – an at-scale, good value, retirement income provider for typical savers.

43. The scale proposals along with the contractual override and Value for Money measures will reshape the market. Part of this will be reducing the fragmentation within DC schemes which currently have numerous legacy arrangements. Prior to the 2030 scale requirements commencing there will be an expectation of a material reduction in arrangements via the contractual override measures. Following this, the scale deadlines will begin which will set a requirement on the majority of multi-employer providers to have a single main scale default arrangement to continue to receive AE contributions. Thereafter, government and regulators will work with industry to ensure any remaining arrangements are justified and any new arrangements only created in multi-employer schemes subject to the scale requirements under a limited set of circumstances.

44. The implementation of the Small Pots Consolidation solution is purposefully designed to fully come into force once the market of a smaller number of Megafunds is in place, with the implementation of the Multiple Default Consolidator simplified by the move to a smaller number of schemes. Policy and delivery work will be finalised over the coming years, but the timing of requiring the movement of small pots is such as to allow a ‘cooling off period’ before the duties on schemes are ‘switched on’ to avoid schemes being required to move deferred small pots earlier than having to move other pots should they be on track to consolidate or merge with another scheme.


2026
Bill Royal Assent: 2026
FCA Targeted Support rules in place: 2026
CDC UME Regulations CIF: 2026
Guided Retirement regulations and rules
(DWP & FCA process: 2026/27)
2027
VfM regulations process: 2026/27
MT start complying with Guided Retirement
2028
Step 1: Contract Override and internal default consolidation
SETs and GPPs start complying with Guided Retirement
Small Pots regulations process: 2027/28
First publication of VfM data
Small Pots consolidators application
First VfM assessment
2029
Small Pots consolidators selected
Default consolidation/fragmentation review
Annual publication of VfM data
2030
Annual VfM assessment
Step 3a: Deadline for sub £25bn MTs and GPPs to reach £25bn
Small Pots transfer duties come into force
Annual publication of VfM data
Step 3b: Deadline for £10bn to £25bn MTs and GPPs
Annual VfM assessment
2031


2026
Bill Royal Assent: 2026
Superfunds Regulations consultation
Surplus Flexibilities Regulations consultation
2027
Superfunds Regulations laid
Surplus Flexibilities Regulations laid
Surplus Flexibilities Regulations CIF
PPF Levy measure CIF
Surplus Flexibilities Guidance
2028
Superfunds Regulations and TPR Code CIF
2029

DB Roadmap

45. The government's mission for economic growth is the imperative driving reform. This means that measures that can be quickly and directly operationalised to unlock growth come first in the timeline for implementation such as the PPF Levy. The measure will come into force in the financial year that begins after Royal Assent (indicatively here, April 2027).
46. In May 2025, the Department set out its response to the consultation on DB Options including more details about how and when trustees can access their surplus more flexibly[17]. We anticipate the surplus regulations and guidance will come into force by the end of 2027.
47. Simultaneously, the Department will work hand in glove with the Regulator to set out the details of the permanent market for DB Superfunds which we will aim to set by 2028.

Second phase of reform

48. The government has set out the two-stage approach to reform. We have to be sure that the system is seeking the best possible returns from the full range of assets classes, delivering for members for each pound saved. The imperative is to ensure that schemes offer pensions not just savings accounts; that people's pots are not scattered across the system; that the money already in the system is performing as well as it can for savers and for the economy. Then we can turn to the wider questions of pension outcomes and what else is required to deliver more adequate retirement incomes for all.
49. In the near future the government will begin the next phase of the Pensions Review with a comprehensive assessment of the adequacy of retirement incomes for future generations of pensioners. The Review will consider the balance of all three pillars of the UK system – state, occupational and personal wealth – and how best they should combine to ensure everyone can expect a financially secure retirement. We will announce the reviewers and more detailed terms of reference in due course.
50. In addition, there remain unsolved challenges in the DB system which the government is also committed to address in the second stage of reform. Separate from the Review, we have set out that we are continuing to consider the possible role for a government consolidator for DB schemes, run by the PPF.
51. As we move to implementation in 2026, we will also consider changes to the framework of regulation and enforcement to ensure it is fit for the future. The pensions landscape is due to change dramatically over the coming years. Major reforms such as 'Megafunds' and superfunds – across DC and DB - will result in a

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[17] Government response: Options for Defined Benefit schemes - GOV.UK
https://www.gov.uk/government/consultations/options-for-defined-benefit-schemes/outcome/government-response-options-for-defined-benefit-schemes

market of fewer, larger pension schemes which are more able to invest productively and deliver value for savers and the economy. As the market transforms, pensions regulation also needs to evolve to ensure it is actively delivering the reforms in the sector, stewarding the market towards our priorities of better retirement outcomes and economic growth. This includes ensuring that the right governance framework is in place to effectively manage the potential risks of a consolidated market. We plan to consult on measures to improve the governance of trust-based schemes later this year, to ensure the necessary safeguards and flexibilities are in place to meet the demands of the evolving pensions landscape.