

Pensions Radar

Pensions Radar is a quarterly listing of expected future changes in UK law affecting work-based pension schemes.

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Legislative and regulatory developments

The following are forthcoming developments with known or expected dates:

DB scheme funding and investment

DB schemes are required in connection with their next valuation to have a 'funding and investment strategy' for ensuring that benefits can be provided over the long term. After determining or revising such a strategy, trustees have to prepare a 'statement of strategy', to be agreed with the sponsoring employer. All valuations have to be submitted to the Pensions Regulator, whether or not the scheme is in deficit. See [WHiP Issues 97](#) and [108](#).

Complementing these changes is a Pensions Regulator code of practice and updated covenant guidance. The Regulator's final 'fast track' parameters have also been published: these will form part of forthcoming guidance on the Regulator's regulatory approach. The digital platform for submitting documents to the Regulator is now available. See [WHiP Issues 99](#), [111](#) and [113](#).

Pensions Regulator general code of practice and own risk assessments

The Pensions Regulator has consolidated and updated ten of its codes of practice in a 'General code of practice'.

The General Code also includes new content on scheme governance: this relates to the broadening of internal controls requirements to require occupational pension schemes to "establish and operate an effective system of governance including internal controls", which must be "proportionate to the size, nature, scale and complexity of the activities of the occupational pension scheme". Schemes with 100 or more members also need to undertake an "own risk assessment" of their system of governance at least every three years.

See our [briefings](#) on the various aspects of the Code.

Pensions dashboards

The Government has published guidance including a staged timetable for pension schemes and providers to connect to the pensions dashboards ecosystem and be in a position to process 'find' and 'view' requests. The guidance retains the original plan for staged connection dates, ahead of the legal deadline of 31 October 2026. Schemes are

KEY DATE

Valuations with effective dates on and after 22 September 2024

In force from 28 March 2024 but with a grace period of at least two years for producing the scheme's first own risk assessment

Starting from 30 April 2025 (based on scheme type and number of non-pensioner members), with an ultimate statutory deadline of 31 October 2026

required to "have regard to" the guidance. Dates are determined based on scheme type and number of non-pensioner members. See [WHiP Issues 105](#) and [108](#).

Schemes have been urged to prepare for connection in good time. See our article [10 actions for getting to grips with pensions dashboards](#).

Corporate directors / failure to prevent fraud / identity verification

Company law statutes include provisions due to come into force which are of potential relevance to pension scheme trustee companies. These include a ban on corporate directors (i.e. a company acting as a director of another company) and a new offence of failure to prevent fraud. There are likely to be exemptions and transitional measures, details of which are awaited but which may help trustee companies. For example, a trustee (or other) company may be outside the corporate directors ban where it has a director which is a company (for example, an independent trustee firm) but the directors of that firm are all natural persons. See [WHiP Issues 112](#) and [113](#).

The Economic Crime and Corporate Transparency Act 2023 (ECCTA) also includes new requirements for the identity verification of all directors, LLP members and 'people with significant control' of UK companies and LLPs. See our briefing [New UK identity verification requirements under ECCTA](#).

From 1 September 2025 for the new offence; unknown for the ban on corporate directors

From 18 November 2025 for new directors; a 12-month transition period applies to existing directors and PSCs, during which existing directors will need to confirm they have verified their identity at the same time as they file their next annual confirmation statement.

27 December 2025

Data transfers to the EU

The European Commission's June 2021 adequacy statement regarding protections for personal data transferred from the EU to the UK expires after four years (and a short extension) but can be renewed. See [WHiP Issues 86](#) and [90](#).

Inheritance tax on lump sum death benefits

The Government will bring most unused pension funds and death benefits into a person's estate for inheritance tax purposes. Death in service benefits and dependants' pensions will be excluded. See [WHiP Issues 113](#) and [117](#).

6 April 2027

Pensions Commission report

The Pension Commission will make recommendations to Government "mapping out a path to a pensions system that is truly adequate, in the broadest sense of that word". The latest State pension age review is likely to report at the same time, though it is not required by law until March 2029.

2027

DB Surplus extraction

The Pension Schemes Bill includes provisions designed to make it easier for schemes to make payments of surplus to employers, where trustees agree and subject to the existing 25% tax charge. This is intended to encourage schemes to consider running on and investing in equities and private markets, rather than de-risking, with the possibility of benefit enhancements for members. See [WHiP Issue 117](#).

Late 2027

DB consolidator schemes

The last Government consulted on proposals for legislation on the authorisation and supervision of DB consolidator schemes, or "superfunds", which are intended to operate in some circumstances as an alternative to buy-out. In the meantime, Pensions Regulator guidance applies. The Labour Government's Pension Schemes Bill includes legislation for this. There will not at this stage be a public consolidator (although this is still under

2028

consideration), only private sector options. See [WHiP Issue 117](#).

DC decumulation help

The last Government proposed a duty on DC schemes to offer decumulation products or services meeting the needs of a generality of their members, to include a collective DC option (see above). This will now be implemented by the new Government under the Pension Schemes Bill. In the meantime, Pensions Regulator interim guidance is expected. The regulations which cover Nest need to be amended to allow it to offer a range of decumulation options. See [WHiP Issues 104](#) and [106](#), and [What's Happening in DC – Pension Schemes Bill special](#).

2027 for master trusts;
2028 for other schemes
and group personal
pensions

DC value for money

The last Government, Pensions Regulator and FCA confirmed the outline of a new framework on metrics, standards and disclosures for value for money assessments in DC occupational pension schemes and personal pensions. An FCA consultation followed. The new Government has included legislation in the Pension Schemes Bill.

2028

DC scheme trustees and independent governance committees of workplace personal pension schemes will be required to assess in detail, compare and disclose the value for money that their scheme provides. This will involve much more than consideration of just costs and charges. The Government and regulators aim to help trustees to make more informed investment and governance decisions and employers to compare options for pension provision, whilst also driving competition.

See [WHiP Issues 111](#) and [117](#), and [What's Happening in DC – Pension Schemes Bill special](#).

Normal minimum pension age to be raised to 57

6 April 2028

The normal minimum pension age for registered pension schemes will be 57 (rather than 55) with effect on and from 6 April 2028, with some protections for members with existing rights to draw benefits earlier. Trustees who have not already done so should inform members at the next opportunity of any change to the age from which they are able to access benefits under the scheme rules. See [WHiP Issue 94](#).

Lifetime allowance statutory override ends

5 April 2029

A statutory override has the effect that scheme rule references to the lifetime allowance continue to have effect following and notwithstanding its abolition on 5 April 2024. This ceases to apply on 5 April 2029, so scheme rules may need to be amended before then, where possible. See [WHiP Issue 108](#).

RPI reform

February 2030

The UK Statistics Authority is expected to align the Retail Prices Index with the Consumer Prices Index including owner-occupied housing costs (CPIH) when it is able to do so unilaterally, which is from February 2030. The last Government declined to consent to earlier reform and a judicial review challenge failed. See [WHiP Issues 78](#), [81](#), [86](#) and [98](#).

Small DC pots

From 2030 (?)

The last Government settled on the 'multiple default consolidator' model for dealing with deferred DC pots of less than £1,000. A small number of authorised schemes, expected to be predominantly master trusts, will act as consolidators. The Government has included legislation on this in the Pension Schemes Bill. See our briefing [What's Happening in DC – Pension Schemes Bill special](#). Later, a 'lifetime provider' model may be introduced.

DC 'megafunds'

2030/2035

To bring about consolidation of the master trust and group personal pension market into 'megafunds', the Pension Schemes Bill would amend the quality requirements for automatic enrolment qualifying schemes in respect of such schemes, to require scale in

default funds. The Government takes the view that larger scale results in more professional investment and investment in a broader range of asset classes, including in private markets.

The Government has indicated that £25 billion scale will have to be met by "main scale default arrangements" by 2030, or by 2035 where transitional relief is granted.

See our briefing [What's Happening in DC – Pension Schemes Bill special](#).

Private market investment

2030 / 2035

Included in the Pension Schemes Bill's provisions concerning master trust and GPP 'megafunds' is the power effectively to force such arrangements to invest at least a prescribed percentage of their assets in particular private market asset classes, including in the UK. The Government says that the power, which sunsets at the end of 2035, would only be used if industry initiatives do not result in enough private market investment. See our briefing [What's Happening in DC – Pension Schemes Bill special](#).

Ongoing and recurring events

The following are events that are ongoing or recurring:

Automatic re-enrolment

Every three years

Every three years, an employer must carry out an exercise to re-enrol, into an automatic enrolment scheme, eligible jobholders who opted out after they were automatically enrolled. This duty first arises three years from the employer's staging date, when automatic enrolment was first required, and there is a six-month window around that anniversary during which the exercise must be carried out. It must then be repeated every three years. See our briefing note [Automatic re-enrolment](#).

State pension ages rising

Until 2046 (with implications already for schemes with bridging pensions or state pension offsets)

State pension age for both men and women is rising to age 68 by 2046 but this is due to be reviewed. See [WHiP Issues 102](#) and [117](#). The increase from 66 to 67 has been brought forward by eight years, to take place between 2026 and 2028.

See our briefing note [Bridging pensions – state pension age issues](#), on the issues that rising state pension ages can cause for schemes that attempt to integrate with the state pension.

Expected developments with no confirmed date

The following are expected legislative and regulatory developments for which there is no confirmed date:

Section 37 / regulation 42 certificates

In a case involving a Virgin Media group pension scheme, the Court of Appeal ruled against the employer on the consequences of a deed amending a contracted-out pension scheme not having been accompanied by the actuary's confirmation required under section 37 of the Pension Schemes Act 1993. We await details of Government intervention. See our news alert [Court of Appeal upholds requirement for written actuarial confirmation when contracted-out benefits were changed](#) and [Q&As briefing](#) and [WHiP Issue 117](#).

In a separate case, *Verity Trustees Limited v Wood*, the High Court is considering further questions in this area and other issues around amending scheme rules.

Collective DC expansion

The Government has consulted on broadening collective money purchase pension provision beyond single or connected employer schemes. Draft regulations, due to be finalised in Autumn 2025, would allow multi-employer "whole-life" schemes (i.e. schemes providing accrual and paying benefits). Decumulation-only arrangements may be permitted in the future. See [WHiP Issues 100](#), [104](#), [106](#) and [112](#).

Climate change transition plans

The Government is consulting on how to introduce climate-related transition plan requirements for a range of UK-regulated financial institutions, including pension funds. It asked for views on how new transition plan requirements should integrate with the existing climate-related reporting requirements for larger pension schemes.

The Pensions Regulator has been asked to assess the practicalities of transition plans for pension schemes. It will also be convening an industry working group, which is expected to present its findings to the Government later this year.

See [WHiP Issue 117](#).

DC chair's statements

The last Government was discussing potential improvements to the DC chair's governance statement requirements with the Pensions Regulator and industry representatives. The value for money framework proposals (see above) are, however, expected to result in the chair's statement requirements being phased out. The last Government was also considering giving the Regulator discretion over fines for non-compliance, which are currently mandatory. See [WHiP Issue 88](#). We wait to see what happens to these initiatives under the Labour Government.

Trustee register

There is expected to be a register of trustees, to help the Pensions Regulator to communicate and collect information. See [WHiP Issue 106](#).

Automatic enrolment extensions

The last Government proposed significant changes to the scope of the automatic enrolment duties from the "mid-2020s", including extending automatic enrolment to 18 to 21 year-olds and removal of the lower pensionable pay threshold, subject to finding ways to make these changes affordable. A statute introduced powers to make the changes but they have not been made. See [WHiP Issue 105](#). The Pensions Commission (see above) will doubtless now be considering this as part of its work.

GMPs and sex discrimination

Judgments in the *Lloyds Banking Group* case have provided some clarity about the need to equalise benefits to remove the discriminatory effects of GMPs and about the obligations on trustees as regards past transfers-out. See our briefing notes [GMP equalisation: court ruling](#) and [GMP equalisation – where are we now?](#).

The Government previously stated its intention to legislate to remove the need for a claimant to point to a comparator of the opposite sex in order to establish unlawful discrimination. Implementation was delayed, however, pending the *Lloyds* litigation and consideration of a combined value-equalisation and GMP-conversion process. There has been no news on progress on this.

HMRC published newsletters in [February 2020](#), [July 2020](#), [April 2022](#) and [June 2022](#) on tax issues relating to GMP equalisation adjustments (respectively on: dual records adjustments to pension benefits; adjustments to lump sum payments; transfer corrections and GMP conversion; and tax on pension arrears and interest).

An industry group has been considering issues for trustees and administrators and has issued [guidance notes](#) on various aspects.

A statute on GMP conversion, intended to make it easier to use that facility alongside equalisation, was passed in 2022. The substantive legislative changes are left to regulations, for which no date has been indicated. See [WHiP Issues 93](#) and [95](#).

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