BRIEFING

# What's Happening in Pensions

Issue 117 – August 2025

Travers Smith Pensions Sector Group

#TraversSmithPensions

**In this issue:**

**Pensions Schemes Bill:** The Pension Schemes Bill has been introduced to Parliament and published. It includes content affecting DB schemes, DC schemes (including master trusts) and the Local Government Pension Scheme (LGPS). Notable content concerns:

- **DB:** surplus extraction, a legislative regime for superfunds, the pension protection levy, and recoupment of overpaid pension.
- **DC:** the new value for money regime, decumulation defaults, small pot consolidation, master trust and GPP consolidation, and investment in private markets.
- **LGPS:** provisions on asset pooling.

**Virgin Media case:** The Government has announced that it will "introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards". No further detail is yet available.

**VAT – investment costs:** HMRC has announced increased availability of VAT recovery for DB pension schemes' investment costs, with immediate effect. We await detailed information about the change and the extent of the good news.

**Inheritance tax on pension interests:** The Government has announced significant changes to its proposals in relation to the application of inheritance tax on unused pension funds. Schemes will no longer be liable for the payment of the tax and death in service benefits will be excluded.

**New Pensions Commission and State pension age review:** The Government has "revived" the Pensions Commission, to make recommendations to Government "mapping out a path to a pensions system that is truly adequate, in the broadest sense of that word". This is effectively the second phase of the Pensions Review that had been delayed. Alongside this, the Government published terms of reference for the third review of State pension age under the Pensions Act 2014.

**Statement of strategy – TPR response:** The Pensions Regulator has published its response to the consultation on the statement of strategy under the new defined benefit funding regime. It has also launched its new 'Submit a scheme valuation' digital service.

**TPR run-on/endgame guidance:** The Pensions Regulator has published new guidance for DB and hybrid scheme trustees and employers on considering run-on and endgame options. The guidance is intended as an overview of options, their key characteristics and the issues for trustees and employers to consider.

*Continued...*

**TPR determination on winding-up surplus:** In conjunction with the above guidance, the Pensions Regulator published a determination to allow a scheme to pay surplus to the employer at the end of a winding-up. There was no power in the scheme rules to do so. The employer had declined to consent to the augmentation of benefits, which the rules provided was necessary, so scheme surplus was trapped.

**TPR reporting fines for automatic enrolment breaches:** A master trust has been fined a total of £100,000 by the Pensions Regulator for failing to report significant events and breaches of the law. This is partly under the reporting regime applicable to master trusts and partly under the regime applicable to all schemes.

**TPR market oversight:** The Pensions Regulator has added a new website page: "Market oversight: Market volatility and what trustees should do". This is in the context of developments including US trade tariffs.

**Climate change transition plans:** The Government has issued a consultation on how to introduce climate-related transition plan requirements for a range of UK-regulated financial institutions, including pension funds. It asks for views on how new transition plan requirements should integrate with the existing climate-related reporting requirements for larger pension schemes.

**Financial services - targeted support for consumers:** The FCA and HM Treasury are consulting on proposals to allow advisers to provide "targeted support" to consumers in relation to pensions and retail investments. Firms would be able to make suggestions designed for groups of consumers with common characteristics, to help them make financial decisions. Trustees are asked to comment on this from their perspective.

**TPR innovation support:** The Pensions Regulator has announced a new service to help support pensions innovation. It aims to reduce unnecessary regulatory barriers by enabling early transparent discussions.

**EMIR exemption regulations:** As expected, regulations have removed the time limit (18 June 2025) that previously applied to the exemption of certain pension scheme derivative contracts from the central clearing requirements of UK EMIR. The exemption therefore now applies indefinitely.

**PENSIONS RADAR:** You may also be interested in the latest edition of Pensions Radar, our quarterly listing of expected future changes in the UK law affecting work-based pension schemes.

**SUSTAINABILITY MATERIALS:** Our Sustainable finance and Investment Hub includes a section on ESG and sustainable finance issues for pension schemes and their sponsors.

## Pension Schemes Bill

The Pension Schemes Bill has been introduced in Parliament. The date for the Bill's second reading, at which general principles will be debated, is not yet known.

A Government roadmap includes some indications of timescales for implementation but not for all aspects. We note these in the text below.

The Bill contains provisions affecting DB and DC schemes. It also includes provisions in relation to asset pooling in the Local Government Pension Scheme.

### DC

The DC provisions in the Bill relate to:

- the forthcoming **'value for money'** regime for DC default arrangements, on which there has been an FCA consultation (see WHiP Issue 111);
- new requirements for schemes and providers to offer selected **decumulation options**, including a default (see also below, regarding a relevant FCA consultation on "targeted support";
- the **consolidation of small, deferred DC pots**, subject to an opt-out right;

- consolidation in the **master trust and group personal pensions** market by requiring 'megafunds' with minimum scale; and
- a potential future requirement for master trust and GPP default arrangements to invest at least a specified percentage of the assets in **private markets**, including in the UK.

For details of these provisions, please see the new issue of our briefing 'What's Happening in DC – Pension Schemes Bill special'.

The final report of Phase One of the Pensions Investment Review (see WHiP Issue 113) was published ahead of introduction of the Bill. It discusses the above Bill contents.

The report also mentioned that The Pensions Regulator and the FCA will be collecting data on current asset allocations:

> *"Ahead of VFM, TPR and FCA have decided to launch, later this year, a joint market-wide data collection exercise which will include asset allocation information in workplace DC schemes and is envisaged to run annually until the VFM disclosure data becomes available.*
>
> *The exercise will request asset allocation information from major DC providers, broken down by asset class and sub-asset class, with UK-overseas splits, and the first reporting will be available in early 2026."*

The Government also earlier published its response to the November 2024 consultation "Unlocking the UK pensions market for growth" (see WHiP Issue 113). This addressed consolidation of DC master trusts and group personal pensions (see above).

It also announced that the Government will not be taking forward proposals:

- to prohibit different default fund pricing for different customers (though there will be further consideration of this);
- for a new employer duty, or employer officer duty, to engage on value for money; or
- for the regulation of advice to employers by benefit consultants on options for pension provision.

**DB**

Before publication of the Bill, the Government published its response to the February 2024 consultation "Options for Defined Benefit schemes" (see WHiP Issue 107). This covered both of the topics addressed below and our summaries include key points of interest.

**Surplus extraction:** It will be easier for employers to access surplus in DB schemes. The following measures are included:

- A new statutory power for trustees to modify a scheme (unless in winding-up) by resolution to give a power to make payments to employers, subject to any restriction specified in the resolution. Where there is already such a power, a resolution may remove or relax any restriction imposed by the scheme on the exercise of the power.
- Repeal of section 251 of the Pensions Act 2004, which required trustees to have passed a resolution before 6 April 2016 in order to retain a scheme power to pay surplus to an employer. But any such resolutions are not invalidated.
- Regulations are required to be made under an amended section 37 of the Pensions Act 1995 regarding:
  - prohibition of the making of a payment unless an actuary of a prescribed description is satisfied that prescribed conditions are met in relation to the value of the scheme's assets and the amount of its liabilities;
  - the basis (or bases) on which the value of the scheme's assets and the amount of its liabilities are to be determined for that purpose (the starting point for consultation will be low dependency – under current law a buy-out surplus is necessary);
  - an actuarial certification requirement before a payment is made; and
  - a requirement to notify members in advance.

  The regulations may also impose other conditions and can require the employer's consent. There will be a consultation on the regulations and on Pensions Regulator guidance.

  This replaces existing conditions in legislation, including the requirement for the trustees to be satisfied that the payment is in the interests of the members.

The Government anticipates that these legislative changes will be in force by late 2027.

Changes to tax legislation remain under consideration. It is known that the Government is considering whether to allow surplus to be used to make one-off payments to members, rather than having to augment pensions which adds to variable liability costs. But there is no intention to change the already reduced tax rate on payments of surplus.

There will be no option for schemes to pay a supplemental pension protection levy for 100% protection (which might have enabled more schemes to decide to pay out surplus).

**Superfunds regime:** The Bill includes a regulatory framework for DB consolidator schemes, or 'superfunds'. These are trust-based occupational pension schemes supported by a "capital buffer" but not by a substantive employer covenant. Transfers to superfunds would be prohibited except where made in accordance with the framework. The regime can be extended by regulations to other similar structures (subject to the affirmative procedure).

These schemes currently operate under Pensions Regulator guidance (see WHiP Issues 85 and 111). Under the legislative regime, the Regulator would authorise superfunds and approve transfers where they meet specified criteria. It also includes requirements that superfunds must meet after receiving a transfer.

A transfer can be made if:

- The transferring scheme has no active members.
- The financial position of the transferring scheme is not strong enough to enable the trustees to arrange an insurer buyout.
- The transfer will make it more likely that the transferred liabilities will be satisfied in full.
- The "capital adequacy threshold" will be met by the superfund immediately following the transfer.
- There is a very high likelihood that the "technical provisions threshold" will be met by the superfund at the end of the period of one year beginning with the date of the application.
- The superfund is likely to comply with the ongoing requirements to which it is subject after the superfund transfer takes place.

Superfunds must have policies and procedures in place:

- which allow for the superfund to be managed and administered effectively in the interests of members;
- which ensure the superfund's compliance with the requirements of all applicable legislation; and
- that are proportionate to the scale and nature of the superfund's activities.

The Bill goes on to list particular governance and notification and reporting requirements. There are very particular procedures where there is an "event of concern". Trustees and key personnel must be approved by the Pensions Regulator as meeting "fit and proper person" standards.

The Bill also sets out when funds from the capital buffer must be released to the trustees as funding and when funds can be released to other persons. That includes ongoing "permitted profit extraction" as well as release after liabilities are all satisfied or bought out.

The Government expects the legislative regime to commence in 2028, following regulations on which there will be a consultation.

The Bill does not include provisions on the establishment of a public consolidator but this is still under consideration. The decision has been taken that it would be run by the PPF and that it should be "small" and "focused". This probably means that it will be aimed at small, underfunded schemes where the employer can pay deficit contributions.

**Charges, liens and set-off:** The Pensions Act 1995 would be amended to provide that a disputed charge, lien or set-off (which includes a proposed recoupment of overpaid pension from future instalments) can be exercised if:

- the dispute has been resolved by the parties to it;
- the Pensions Ombudsman has made a determination as to the amount of the monetary obligation in question; or
- the monetary obligation has become enforceable under an order of a competent court (or sheriff-appointed arbiter in Scotland).

Currently, the only option "where there is a dispute" is an order of a competent court. In the 2023 *CMG* case, the Court of Appeal held that this did not include the Pensions Ombudsman (see WHiP Issue 106). Following the legislative change, therefore, trustees should normally no longer need to apply to a County Court where a set-off to recoup overpaid benefits is opposed by the beneficiary.

There is no indication of a commencement date here.

**Pension protection levy:** The Pensions Act 2004 would be amended to:

- Remove the restriction that prevents the PPF Board from reducing the pension protection levy to zero or a low amount and raising it significantly again in any reasonable timeframe. A new, more practicable cap is introduced, allowing an increase of up to 25% of the previous year's levy ceiling, rather than 25% of the levy charged.
- Include a new provision allowing the PPF Board to factor in risks presented by schemes "not supported by a substantive employer covenant".

The changes are expected to take effect from the 2027/28 levy year.

The PPF has said that it will monitor the Bill's progress and update levy payers by the end of July on whether it is comfortable in charging a nil levy for the 2025/26 levy year, in reliance on the expected future change.

**PPF and FAS compensation - terminal illness:** The Bill extends the definition of "terminal illness" in the Pension Protection Fund and Financial Assistance Scheme legislation, so that eligible members who are diagnosed as terminally ill can receive payments earlier. This was already the subject of a private members' bill, The Pension (Special Rules for End of Life) Bill.

**PPF and FAS – pensions dashboards:** The Bill paves the way for PPF and FAS information to be included in pensions dashboards. Currently, there are no legislative requirements on the PPF or FAS with regard to pensions dashboards and they are unable to participate voluntarily because of restrictions on disclosing data.

#### Local Government Pension Scheme

The Pensions Investment Review (see above) also covered asset pooling in the Local Government Pension Scheme (LGPS), on which there was also a separate consultation response.

The core consultation proposals (see WHiP Issue 113) were confirmed, with some clarifications. This means that, broadly by March 2026:

- All LGPS administering authorities must delegate the implementation of their investment strategy to, and take their principal investment advice from, their asset pool, and transfer all assets to the management of their pool.
- The pools must be established as investment management companies that are authorised and regulated by the FCA. Each will be required to develop the capability to carry out due diligence on local and regional investments and to manage such investments.

The Government believes that its reforms will see assets currently split over 86 administering authorities and eight pools consolidated into six pools.

The Bill includes provisions regarding these requirements.

## Virgin Media case

The Government has announced that it will "introduce legislation to give affected pension schemes the ability to retrospectively obtain written actuarial confirmation that historic benefit changes met the necessary standards".

No further detail has yet been given but it appears from this announcement that lobbying from the pensions industry has been successful. We will report on the detail when it is known.

## VAT – DB pension fund investment costs

HMRC has announced increased availability of VAT recovery for DB pension schemes' investment costs, with effect from 18 June 2025. We await detailed information about the change, so the extent of the good news is unclear.

For most schemes, it will be a case of waiting to see what the final guidance (scheduled to be published by the Autumn) says, but others should take action now to protect their position in respect of the last four years.

There are very technical considerations here: see our new briefing 'HMRC increases VAT recovery for DB pension investment costs' for the detail.

## Inheritance tax on pension interests

The Government has responded to its consultation on the application of inheritance tax to registered pension scheme interests following a member's death from 6 April 2027 (see WHiP Issue 113). There are two significant changes to the original proposals and one to existing taxation:

- **PRs to be liable to report and pay IHT, rather than schemes**

  It will be the deceased individual's personal representatives (PRs), rather than the scheme trustees/administrators, who are liable for reporting and paying any inheritance tax on any "unused pension funds". The beneficiaries will be jointly and severally liable for paying any inheritance tax. (This is all already the position where the scheme requires binding nominations for death benefits.)

  There are proposals for how to make this workable given that for some estates the tax on the pension pot will be very significant compared with the estate's realisable assets:

  - Schemes will be required to make the liability position clear and explain to non-exempt beneficiaries (such as beneficiaries who are not spouses or civil partners) when informing them about their benefits that inheritance tax may be due, and options for paying it (see below).

  - PRs will be required to notify schemes of a scheme member's death, and schemes will be required to share the value of any unused pension funds or death benefits with the PR within four weeks of receiving the notification. PRs will then collect information from each scheme and other components of the estate to reach a total valuation of the estate and determine whether any inheritance tax is payable. Legislation will be amended to provide the framework to allow the exchange of all necessary information for inheritance tax purposes and income tax if due.

  - The inheritance tax can be paid by the PRs or the beneficiaries. Additionally, beneficiaries will be able to direct the scheme to pay the inheritance tax on their behalf directly to HMRC, within three weeks. If the amount due is less than £4,000, the scheme has a discretion whether or not to agree to pay it.

  - Mechanisms will allow reclaiming of income tax where applicable, to avoid double taxation.

  There is much more detail on the process in the consultation response. HMRC will continue to work with industry experts to develop and refine it, and will publish guidance for personal representatives, schemes and beneficiaries before April 2027.

- **Death in service benefits now excluded**

  Death in service benefits payable from registered pension schemes (DB or DC) will not be in scope of inheritance tax. This applies to lump sum death in service benefits and DB/CDC dependants' pensions. DC pension pots will be subject to inheritance tax because they are payable to beneficiaries whether or not the member was an active member. So this exemption will really only cover insured (or self-insured) death in service benefits and DB/CDC dependants' pensions.

  This exemption applies regardless of whether or not the payment is made under discretionary trusts. Compared with the current position, that will lead to some tax savings (though not on DC pots) where under scheme rules members make binding beneficiary nominations (as opposed to schemes where there is a discretion, for which the position in this regard is unchanged). That includes death in service lump sums for NHS and some other public sector workforces.

As under the original proposals, the exemption for payments to the spouse or civil partner or charities also applies.

Note too that the legislative changes affect registered pension schemes and qualifying non-UK schemes. The existing tax position will continue to apply to unregistered pension schemes.

A section in Annex C of the consultation response about the treatment of trivial benefits does not seem to make sense and will require clarification.

The consultation response was accompanied by a new policy paper, draft Finance Bill clauses and a ministerial statement.

## New Pensions Commission and State pension age review

**New Pensions Commission**

The Government has "revived" the Pensions Commission, to make recommendations to Government "mapping out a path to a pensions system that is truly adequate, in the broadest sense of that word". This is effectively the second phase of the Pensions Review that had been delayed.

The new Pensions Commission will be led by Baroness Jeannie Drake, Sir Ian Cheshire and Professor Nick Pearce. Its final report is due in 2027.

The 2006 Pensions Commission, which also included Baroness Drake, led to the introduction of automatic enrolment and simplification of the State pension.

The terms of reference are very broad. They say:

*"The Pensions Commission will … consider the long-term future of our pensions system, including:*

- *outcomes and risks for future cohorts of pensioners on current trajectories through to 2050 and beyond*
- *how to improve retirement outcomes, especially for those on the lowest incomes and at the greatest risk of poverty or undersaving*
- *the role of private pension provision and wider savings, building on the foundation of the State Pension, in delivering financial security in retirement and supporting those approaching retirement*
- *the long-term challenges of supporting an ageing population*
- *proposals for change beyond the current Parliament, that build on the measures in the Pension Schemes Bill and ensure Britain in the mid-21st Century delivers financial security in retirement through a pensions framework that is strong, fair and sustainable"*

A policy paper provides further information.

**State pension age review**

The Government has published terms of reference for the third review of State pension age under the Pensions Act 2014. Terms of reference for a Government Actuary report have also been published.

Under the Act, Government reports on such reviews are required every six years. The last was published in March 2023, so the outcome of this is not required until 2029. But it is clearly relevant to the work of the Pensions Commission (see above).

The Government says:

> *"Dr Suzy Morrissey [Deputy Director of the Pensions Policy Institute] has been appointed to prepare an Independent Report making recommendations on a framework to allow the Secretary of State to consider future State Pension age arrangements in the light of the long-term demographic pressures the country faces."*

The Government Actuary will look at whether the rules about pensionable age mean that, on average, a person who reaches pensionable age within a specified period can be expected to spend a specified proportion of their adult life in retirement.

## Statement of strategy – TPR response

The Pensions Regulator has published its response to the consultation on the statement of strategy under the new DB funding regime. It has also launched its new 'Submit a scheme valuation' digital service.

Points of interest are as follows:

- The new **digital service** features (at the request of the industry) a dynamic spreadsheet to capture data. It will ask different or fewer questions depending on answers given, for example whether the scheme is a "small scheme".
- There will be one, rather than two, definition of **"small scheme"**. Such schemes will be asked for less actuarial, investment and covenant information. The definition will be:

  *"Those with 200 members or fewer, excluding members who are eligible for lump sum death benefit only, for hybrid schemes those members with defined contribution (DC) benefits only and fully insured annuitants where they are not included in the calculation of the technical provision liabilities."*

- The previously published illustrative **statement of strategy templates** have been improved in various ways set out in the response.
- Schemes categorised as **'low risk'**, based on specified criteria, will not have to include any detailed information about employer covenant. These are schemes that have very limited reliance on employer covenant.
- There will now be a free-text box for describing the **long-term objective**, rather than a multiple choice question, to allow scheme-specific explanations.
- Indications of **intended asset allocations** at the 'relevant date' were originally to be split between 'growth', 'matching' and 'hybrid'. The last of these has been removed, as the terminology was unclear. The separate section on investing surplus assets is now optional, since many schemes will not invest surplus assets separately.
- The **journey plan** section has been significantly simplified and free-text boxes have been added.
- There are several technical changes to the **actuarial information** that will be required.
- The **investment information** requirements have also changed. Trustees will now be asked to provide a high-level overview of how they expect the notional asset allocation to evolve from the current structure to the low dependency investment allocation.
- On **covenant**, trustees do not need to provide exact figures; they may provide figures of "at least" a certain amount. Optional free-text boxes have been added in various places.

## TPR run-on/endgame guidance

The Pensions Regulator has published new guidance for DB and hybrid scheme trustees and employers on considering run-on and endgame options. It includes case studies and is accompanied by a blog post and industry engagement response.

The guidance is intended as a non-comprehensive overview of available options, their key characteristics and the issues for trustees and employers to consider. This, of course, is in the context of the new DB funding regime, which requires trustees and employers to agree a long-term objective for the scheme.

The arrangements specifically considered in the guidance (noting that there may be some overlap) are:

- running on the scheme (as a preferred or interim strategy);
- fiduciary management;
- accredited professional or sole trustees;
- DB master trusts and multi trusts;
- capital-backed arrangements (or capital-backed journey plans);
- superfunds (see above);

- longevity insurance;
- buy-in; and
- buy-out.

## TPR determination on winding-up surplus

In conjunction with the above guidance, the Pensions Regulator also published a determination to allow the Littlewoods Pension Scheme to pay surplus to the employer at the end of a winding-up.

There was no power in the scheme rules to do so and the rules provided that no amendment could be made "which would result in the transfer of any monies to the Employers. The employer had declined to consent to the augmentation of benefits, which the rules provided was necessary, so scheme surplus was trapped. The determination notes that the employer had funded the scheme on an ongoing basis above and beyond the 'technical provisions' statutory requirement.

Under section 69 of the Pensions Act 1995, the Regulator has the power to modify scheme rules to this effect or to authorise the trustees to do so. It chose the latter option.

## TPR reporting fines for automatic enrolment breaches

Master trust NOW:Pensions has been fined a total of £100,000 by the Pensions Regulator for failing to report significant events and breaches of the law. This is partly under the reporting regime applicable to master trusts and partly under the regime applicable to all schemes.

The reporting failures were in respect of failures to provide to large numbers of members certain information required under the automatic enrolment legislation. More than 80,000 communications required by law had inadvertently not been sent, due to invalid or missing email addresses. The Regulator found that the scheme funder/strategist and trustee were aware of the breaches but did not report when required to do so (or did not report soon enough). The Regulator says that the reporting fines (£50,000 for each party) have been paid.

## TPR market oversight

Without any announcement, the Pensions Regulator has added a new website page: "Market oversight: Market volatility and what trustees should do".

The Regulator has been checking how DB and DC schemes are responding to the current market environment, in particular US trade tariffs. Trustees are told that they should have robust governance and operational resilience to adapt to changing market conditions. There should also be clear communication lines with employers, advisors and delegates.

The Regulator lists 'best practice' points, split between DB and DC schemes:

- For DB schemes, there is a focus on liquidity and cashflow, and the suitability of the investment strategy. The potential impact of trade tariffs on employer covenant is also highlighted.
- For DC schemes, the focus is on member communications and investment and risk management.

## Climate change transition plans

The Government's Department for Energy Security and Net Zero has issued a consultation on how to introduce climate-related transition plan requirements for a range of UK-regulated financial institutions, including pension funds. It asks for views on how new transition plan requirements should integrate with the existing climate-related reporting requirements for larger pension schemes.

The DWP will be reviewing the pension scheme climate change governance and reporting regulations this year, building on evidence provided by the Pensions Regulator. 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 will present its findings to the DWP later this year.

The consultation closes on 17 September 2025.

## Financial services – targeted support for consumers

The FCA is consulting on proposals to allow advisers to provide "targeted support" to consumers in relation to pensions and retail investments. Firms would be able to make suggestions designed for groups of consumers with common characteristics, to help them make financial decisions.

The FCA wants to hear from occupational pension scheme trustees about how this might work in their context, including alongside the Pension Schemes Bill proposals regarding default decumulation options (see above). It says:

> *"We are interested to understand the situations and nature of the ready-made suggestions that trustees would want to provide if they were to give targeted support. We particularly welcome views on how trustees may want to provide targeted support or a version of it that applies solely to 'in scheme' benefits. This includes whether this would be done under the trust-based occupational pension scheme itself, or whether trust-based schemes would partner with a third-party FCA-authorised firm to deliver targeted support, or a version of it, for the scheme's members. We are interested in how trustees would want to do this in practice.*
>
> *More broadly, we want to understand the support that trustees wish to give their members, and in particular, whether they feel unable to give such support because they are worried about undertaking a regulated activity or financial promotion. We are interested in receiving specific examples from trustees."*

A separate HM Treasury policy note and draft statutory instrument addresses the making of targeted support a regulated activity under the financial services legislation, distinct from the activity of "advising on investments". The Government intends to introduce the legislation later this year.

Both consultations close on 29 August 2025.

## TPR innovation support

The Pensions Regulator has announced a new service to help support pensions innovation. It aims to reduce unnecessary regulatory barriers by enabling early transparent discussions.

The innovation service will focus on (a) administration and member experience, particularly in the decumulation phase and (b) investment and new scheme models. The Regulator will offer:

- informal early discussion sessions;
- collaborative events allowing pension innovators to make connections across the industry;
- thought leadership – for example, blog posts and reports explaining the Regulator's stance on areas such as targeted support to members and 'guided retirement';
- collaboration with the FCA; and
- support for emerging new models via a streamlined process.

## EMIR exemption regulations

As expected, the Pension Fund Clearing Obligation Exemption (Amendment) Regulations 2025 have removed the time limit (18 June 2025) that previously applied to the exemption of certain pension scheme derivative contracts from the central clearing requirements of UK EMIR. The exemption therefore now applies indefinitely.

Travers Smith's award-winning Pensions Sector Group seamlessly encompasses all the technical legal specialisms our pensions clients need. Our experienced and talented multi-specialist teams are at the forefront of pensions so we can help you to predict and plan for the future. For more information about our services please visit our website or speak to your usual Travers Smith contact.

You can also follow **#TraversSmithPensions** on LinkedIn

## FOR FURTHER INFORMATION, PLEASE CONTACT


Susie Daykin
Partner, Head of Pensions
susie.daykin@traverssmith.com
+44 (0)20 7295 3247

Daniel Gerring
Partner
daniel.gerring@traverssmith.com
+44 (0)20 7295 3341

Niamh Hamlyn
Partner
niamh.hamlyn@traverssmith.com
+44 (0)20 7295 3287

David James
Partner
david.james@traverssmith.com
+44 (0)20 7295 3087

Chris Widdison
Partner
chris.widdison@traverssmith.com
+44 (0)20 7295 3604

Nick White
Knowledge Counsel
nick.white@traverssmith.com
+44 (0)20 7295 3472