SLAUGHTER AND MAY/

PENSIONS ESSENTIALS

September 2025

One Bunhill Row
London EC1Y 8YY
United Kingdom
T: +44 (0)20 7600 1200

VIRGIN MEDIA DRAFT LEGISLATION

The Government has made amendments to the Pension Schemes Bill which will allow trustees to obtain actuarial confirmation that historic deeds of amendment would not have prevented the scheme from meeting the reference scheme test.

Following extensive lobbying from the industry, amendments have been made to the Pension Schemes Bill to address the issues caused by the Court of Appeal decision in Virgin Media.

The amendments say more or less what the industry was expecting and are very welcome. Trustees will be able to ask the scheme actuary to give confirmations now in relation to historic deeds, and actuaries will have considerable flexibility in relation to what they can take into account when doing so. If confirmation is given, an amendment will be treated as though it has always been valid.

The legislative fix will broadly apply to amendments that engaged the statutory actuarial confirmation requirements in relation to the reference scheme test and have been treated as valid by the trustees.

The fix will not be available where "positive action" has been taken on the basis that the trustees consider the amendment to be void. This requires trustees *either* to have notified members in writing that an amendment is void *or* to have taken administrative steps to change benefits as a result of having concluded that an amendment is void.

Amendments will also be out of scope of the fix if the court has already determined any Virgin Media issues in relation to them, or if there were ongoing "legal proceedings" in relation to such issues on or before 5 June 2025. Legal proceedings for these purposes are not defined.

Where an amendment is in-scope, it will be treated as valid if:

- The trustees ask the scheme actuary to consider whether it would have prevented the scheme from "*continuing to satisfy*" the reference scheme test; and
- The actuary confirms in writing that in their opinion it is "*reasonable to conclude*" that, if validly made "*the alteration would not have prevented the scheme from continuing to satisfy*" the reference scheme test.

Where a scheme has wound up before the legislation comes into force, in-scope amendments will be treated for all purposes as having complied with the relevant requirements, with no need to request actuarial confirmation.

For more detail and analysis on these proposals, see our briefing.

Practical points:

- *Watch out for further developments.*
- *Identify whether there are any scheme documents to which the fix might apply.*

OWN RISK ASSESSMENT DEADLINE REMINDER

As part of their statutory obligations to have an effective system of governance, schemes with 100 or more members must carry out and document an own risk assessment. The deadline for carrying out the first own risk assessment is coming up, and trustees need to make sure that work is underway to comply.

The Pensions Act 2004 requires trustees to "*establish and operate an effective system of governance including internal controls*" which is "*proportionate to the size, nature, scale and complexity of [their] activities*". The Pensions Regulator is required to issue a code of practice and regulations set out what that code of practice must cover. This includes the need for schemes with 100 members or more to carry out and document an Own Risk Assessment (**ORA**) which covers a variety of things, including how the trustees:

- integrate the ORA into scheme management and decision-making;
- assess the effectiveness of their risk-management systems;
- prevent conflicts, where key functions are outsourced to a party also used by the employer or to its employees;
- assess the funding needs of the scheme;
- assess risks to members, taking into account, where applicable, indexation and benefit reduction mechanisms; and
- assess new or emerging ESG risks.

More detail about the Pensions Regulator's expectations in relation to ORAs, including the documentation required, is set out in the General Code of Practice.

The first ORA must be completed within 12 months of the last day of the first scheme year beginning after 28 March 2024 (the date the General Code came into force) - so for a scheme with a year-end of 31 March, this would be before 31 March 2026. There are other possible deadlines in the regulations, but these are likely only to be relevant for new schemes in practice (although the wording is not very clear).

This means that ORA deadlines are now coming up, so trustees need to consider what action they need to take. The documentation required is significant, which means compliance cannot be left to the last minute.

Practical points:

- *Identify the scheme's ORA deadline.*
- *Consider actions needed to comply and draw up timetable for completing them.*

PPF LEVY FOR 2025/2026

The PPF has announced that it will not charge a conventional levy for the 2025-2026 levy year. This will save DB schemes and sponsors collectively £45m.

Earlier this year the PPF set its levy estimate for 2025-2026 at £45 million. However, it also allowed for recalculating the levy at zero, given its current strong funding position, if legislation was amended to permit greater flexibility around setting the levy (specifically, in relation to the requirement to collect a levy each year and the cap on the amount of the levy in any year by reference to the amount collected in the previous year).

The necessary provisions have been included in the Pension Schemes Bill and the PPF says that "*recognising the Bill's parliamentary progress and the broad support among policy makers and stakeholders for this change, [it] has decided to exercise its provision to move to zero levy for 2025/26*".

Practical points:

- *Be aware that there will be no conventional PPF levy for 2025/26.*

HISTORIC TRANSFER DUE DILIGENCE

The Pensions Ombudsman has issued a press release and a determination considering trustee obligations in relation to pre-2021 statutory transfers and the extent to which trustees were required to carry out due diligence in relation to potential scams.

In November 2021, regulations came into force which set out additional conditions that trustees needed to ensure were satisfied before they could comply with a statutory transfer request from a member. The intention was to provide members with additional protection from scams. Prior to this, trustees had fairly limited grounds on which to refuse to make a statutory transfer.

In the absence of any statutory protection against scams, in February 2013 the Pensions Regulator issued guidance to trustees and providers about the dangers of pensions liberation and scams, and about the due diligence which could be undertaken to identify them, together with “scorpion leaflets” aimed at members. The Ombudsman has previously regarded the issue of this guidance as marking a change in industry good practice and the levels of due diligence expected from trustees.

Determination: A recent determination looks at the legal obligations of transferring trustees. A complaint was brought by a member in relation to a transfer of his benefits to a small self-administered scheme in 2014. The member was provided with the scorpion leaflet, confirmed he had read it and explained his reason for the transfer. Checks were also done to ensure the receiving scheme was registered. The member claimed that the transferring trustee should have done more due diligence and warned him that the receiving scheme could be a scam.

The Ombudsman said that on a transfer to another occupational pension scheme, transferring trustees must check that a receiving scheme was actually an occupational pension scheme and that it was registered with HMRC. They also needed to ensure that the member was in receipt of earnings from any source (although it was suggested that an upcoming determination might challenge the interpretation of this requirement). Where contracted-out benefits were being transferred, checks would also be needed to ensure that contracting-out requirements were complied with. The transfer in this case took place before both the introduction of the new transfer conditions in 2021 and the requirement (from 6 April 2015) to check that a member has received “appropriate independent advice” on a transfer from a DB scheme to a DC scheme in excess of £30,000.

Having complied with these requirements, the question then was whether it was mandatory for transferring trustees to also conduct the due diligence set out in the scams guidance, and whether any failure to do so created a cause of action for the member. The Ombudsman determined that there was no legislative or regulatory obligation to follow the guidance and the due diligence checklist in it or to provide members with a copy of the scorpion leaflet. There was also no general, common law or equitable duty of care that required such due diligence to be carried out.

If the transferring trustees had voluntarily assumed the responsibility to investigate the receiving scheme and warn the member should anything untoward arise from that investigation, and had assured the member that this would happen, those trustees could be under a duty to take reasonable steps in so doing. However, merely attempting to implement the guidance behind the scenes would not be enough for these purposes.

The Ombudsman noted that there could be different obligations owed to, and therefore different complaint outcomes for, a member who had transferred from an occupational pension scheme compared to one who had transferred from a personal pension scheme, as a result of the different regulatory regimes that apply to each type of scheme.

This is a helpful determination for trustees facing complaints from members in relation to pre-2021 transfers to scam or liberation vehicles.

Practical points:

- *Where there are complaints in relation to historic transfers-out, consider trustees’ legal obligations.*
- *Consider whether the determination is relevant to any ongoing disputes.*

INTERPRETING SCHEME RULES – A RECENT CASE

A recent High Court decision looked at the interpretation of a reference in scheme rules to state pension age, as defined in the Pensions Act 1995, and in particular, whether it referred to the legislation as amended from time to time.

General rules of interpretation: Pension scheme trust deeds are not always as clear as we would like them to be. This is partly because they are long and complex, and partly because the drafting evolves over many years.

The courts have determined that there are no special rules of construction for pension scheme documents. When looking at them, the starting point is generally to consider how reasonable people in the position of the parties, and with their background knowledge, would have interpreted the relevant provision – not what the parties themselves meant.

In addition, significant weight is to be given to the words the draftsman actually used, and words should normally be given their ordinary English meaning. However, the courts will try and take a practical and purposive approach, and where there are two possible constructions, can prefer the one which is consistent with business common sense.

A recent case looked at the interpretation of a statutory reference in a set of scheme rules and came to a surprising result.

Spirit Pension Trustee v Alexis: The member retired in 2018 at age 60, which was the scheme's normal retirement date. She was told that she would receive a supplement up to "state pension age" (**SPA)** but the term was not defined or explained to her. She was later informed that the supplement would cease when she reached 65, notwithstanding that for her SPA was 66.

The rules of the Scheme were drafted in 2001 and the relevant provision said SPA "*has the meaning given by the rules in paragraph 1 of Part I of Schedule 4 to the Pensions Act 1995 (rules for equalisation of pensionable ages for men and women*)."

The question arose whether the statutory reference was 'static', so that SPA was as defined in the legislation when the rules were drafted in 2001 (which would have meant 65 for the member), or dynamic, so that it incorporated increases to SPA introduced by later legislation (which would have meant it was 66). There were no provisions in the rules which said that statutory references were to the legislation as amended from time to time.

The judge attached some importance to the words in brackets after the statutory reference, which referred to the purpose of the legislation as being the "*equalisation of pensionable ages for men and women*". He considered that this indicated that the reference to the provisions in the Pensions Act 1995 was not intended to encompass future changes on account of increases to SPA more generally. This is interesting, as statutory references are often included in drafting with a description after them merely to assist the reader in understanding what provision the reference relates to, rather than to suggest any future limitation in their interpretation.

In addition, the judge noted that when the 2001 Rules were drafted, there was nothing in the statutory context to suggest that further increases to SPA were anticipated, and in any event, it was likely that the draftsman would have wanted to maintain flexibility by reserving to the trustee the ability to keep under review how any future changes might impact benefits payable and whether amendments to the 2001 Rules might be appropriate.

Therefore, the meaning of SPA was held to be static, and age 65, for these purposes.

The decision illustrates the importance of looking at every single word used in scheme rules to determine what they mean, even words which look fairly insignificant at first glance.

Practical points:

- *Consider the importance of all words used when interpreting scheme documents.*
- *Always check if the scheme contains general rules on interpretation.*

PENSIONS REGULATOR INTERVENTION AND ENFORCEMENT ACTIVITY

The Pensions Regulator has published details of several recent interventions. In one case, a report details the role it played in securing a rescue of the Edinburgh Woollen Mill Scheme. Another discloses significant sanctions following a breach of the restrictions on employer-related investments. The final case relates to a contribution notice which was appealed to and increased by the Upper Tribunal.

Scheme rescue: Administrators were appointed in relation to the sponsoring employer of the Edinburgh Woollen Mill Scheme in 2020. The employer and other group companies were subsequently sold to Purepay. The Regulator was contacted by the trustee's covenant adviser in October 2020, who expressed concerns about a lack of information regarding the employer's current financial position and the risk of insolvency . On investigation, the Regulator found significant dividends were paid by the employer to the parent company during 2020 and identified other concerns.

The scheme entered a PPF assessment period, but in 2021, Purepay proposed a scheme rescue. The Regulator, alongside the trustee and the PPF, entered into negotiations and it was agreed that Purepay would take over as the scheme's statutory employer through a scheme apportionment arrangement and that it would pay £7 million to the scheme. A recovery plan was also agreed, along with a suite of covenant protections.

The Regulator cautions that sponsoring employers must keep trustees fully up to date with their financial position and prospects, particularly when they are facing financial distress.

Employer-related investment: The employer in relation to the Worthington Employee Pension Top Up Scheme entered administration in 2019 and was dissolved in January 2022. In December 2019, the Regulator received a report from the insolvency practitioner about suspected employer-related investments (**ERI**) involving most of the scheme's assets. As well as investigating three trustees in relation to the ERI breaches, the Regulator also investigated a professional adviser, on the basis that he encouraged and assisted the trustees with the prohibited loans.

Breaching the ERI restrictions can attract criminal sanctions, and prosecutions were brought against two of the trustees and the professional adviser. One trustee was given a 10-month prison sentence, suspended for 12 months, and ordered to complete 150 hours of unpaid work and pay £1,000 in prosecution costs. Proceedings were dropped against the second trustee, and the professional adviser died before the case reached court. The third trustee was fined a total of £29,000.

The Regulator says that ERI restrictions are crucial in ensuring the security of scheme funds and protecting members' interests and it is committed to taking swift and decisive action when they are breached. Employers, trustees and scheme advisers should be aware of and follow the ERI guidance.

Contribution notice: DFL was bought by CW and EW for £1 in 2008. Following concerns being reported to the Regulator by the scheme's independent trustee, it concluded that between 2008 and 2019 money was extracted from DFL while its pension scheme was in deficit. The Regulator sought payments by way of contribution notices from CW and EW and two family members, PW and AP. CW and EW agreed to pay £2 million to the scheme and PW later also made a payment. AP appealed the imposition of a contribution notice on the basis she had not known what was going on, although she had been a director and knew that her shares in DFL's parent company had been purchased with funds from DHL.

The Upper Tribunal held that the sale of AP's shares using sponsoring employer funds did detrimentally affect in a material way the likelihood of accrued scheme benefits being received. It was not reasonable for AP to have acted in the way that she did. She was a director of DFL and should not have allowed it to weaken its resources in the way it did without making sure that the interests of all stakeholders were protected. She did not ask any questions or take any advice with a view to discharging that responsibility.

The Upper Tribunal also said that it should have due regard to the amount of the contribution notice imposed by the Regulator but still had to reach its own conclusions as to what a reasonable amount would be. The Tribunal increased the amount of the contribution notice to reflect the whole of the proceeds AP received on her shares. However, it was then reduced to reflect amounts which she had paid to her children to satisfy an undertaking to her parents (when they gave her the shares) and tax which she had paid.

It is also worth noting that unusually in this case, the employer continued to trade and, although the scheme was in significant deficit, it continued to pay out the benefits that were due. However, both the Regulator and the Upper Tribunal still considered that it was reasonable to impose contribution notices against former directors and shareholders.

Practical points:

- *Be aware of the importance of sharing information with trustees, particularly in times of sponsor distress.*
- *Ensure that all trustees are aware of the restrictions in relation to employer-related investments and loans.*
- *Be aware that contribution notices might go up on appeal.*

COURT OF APPEAL DECISION ON COMPENSATION FOR DATA BREACH

The Court of Appeal has held that members whose annual benefit statements were sent to incorrect addresses can claim compensation even where they cannot show that those statements were accessed by a third party.

Facts: The case related to the Sussex Police pension scheme. In 2019 the scheme administrator sent over 750 benefit statements to out-of-date addresses. The statements included benefit information, dates of birth and national insurance numbers. A significant number were returned unopened and members were offered the chance to sign up to a fraud protection service at the administrator's expense. The incident was reported to the ICO. Sussex Police carried out a risk assessment and concluded that the risk of any harm to members as a result of the breach was low.

Over 470 members complained that the administrator was in breach of its duties as a data controller or data processor and the breach was an infringement of the GDPR. They sought compensation for injury to feelings, and in some cases psychiatric injury from fear that a third party would misuse their personal data. Only 14 members could show that the mis-addressed envelope had been opened and that their benefit statement had been read.

The administrator argued that damages could not be awarded for 'loss of control' of data without proof that it had caused material damage or distress and the majority of the members could not demonstrate this. The High Court said that the 432 members who could not show that their benefit statement had been opened by someone else had no reasonable basis for a claim. The members appealed.

Decision: The Court of Appeal held that the actions of the administrator in relation to the benefit statements did amount to data processing and sending the statements to the wrong addresses was in breach of a number of principles set out in GDPR including those of lawfulness, fairness and accuracy. It was not necessary for the members to show that the data had in fact been disclosed to a third party.

The members' claims could not be dismissed on the basis that they did not meet a threshold of seriousness. There was no such threshold in EU data protection law and no good reason for the court to determine that one existed under UK law.

Members were also entitled to compensation for "non-material damage" and this could include compensation in relation to "*fear of the consequences of an infringement*" where the fear was objectively well-founded and not purely hypothetical or speculative. This had to be determined on a case by case basis and the issue was remitted to the High Court.

Comment: The members have not yet achieved any compensation as the High Court will need to consider whether their fears were well-founded. Any resulting compensation may also be fairly small. Nevertheless, the case represents a cautionary tale for administrators about the importance of ensuring that member data and addresses are properly updated.

Practical points:

- *Check administrators update member addresses.*
- *Be aware of potential grounds for complaint if member information is sent to the wrong address.*

PENSIONS REGULATOR INSIGHTS ON SCHEME ADMINISTRATION

Following engagement with industry, the Pensions Regulator has published a report of its findings on scheme administration, which highlights improvements that can be made and says that trustees and scheme administrators must work together to deliver higher standards of administration and help to achieve better outcomes for members.

The Pensions Regulator recognises pension administration as a critical driver of good outcomes for members. With increasing regulatory demands, technological transformation, and rising member expectations, the role of administrators is critical. Therefore, in September 2024, the Regulator launched a voluntary engagement initiative with 15 administrators, covering a range of sizes, ownership models and service types (including in-house teams) and both the DB and DC market.

The Regulator has now reported its insights and findings, which are divided into four key themes:

- **Financial sustainability:** After years of underinvestment, the market is seeing increased investment in technology upgrades, AI, and people, but more work is required. Recruiting and retaining staff remains difficult.

  As the market continues to evolve, administrators should assess their strategic position and align business models with future demand. Trustees should support this by recognising the strategic value of administration and encouraging investment in innovation and resilience.

- **Technology and innovation:** With increasing demands on them, pension administrators are modernising systems and rethinking service delivery. Efforts are underway to modernise and/or integrate systems like administration, payroll, and member portals. However, outdated systems remain a significant challenge, hindering automation, limiting scalability, and increasing the risk of errors.

  Trustees and administrators should focus on providing a high-quality member-centric experience, with good governance and transparent reporting. This focus needs to be embedded in administration contracts, which should be periodically reviewed to ensure they remain suitable. Consideration should be given to the service level agreements, to ensure they prioritise accuracy and member experience, not just focus on speed.

  Trustees and administrators should also plan the likely impact of the pensions dashboards on administration services and review whether current administration service, member engagement strategies and member interaction channels are likely to remain effective and be capable of handling significantly increased demand.

- **Risk and change management:** The report sets out some good examples of risk and change management practices which the Regulator says that others can learn from. It also says that they should be built into everyday operations.

- **Cyber resilience:** The report highlights examples of good cyber security practices but says that consistent industry-wide cyber security certification is lacking. There are also gaps in business continuity planning, with communication protocols and executive oversight sometimes missing or lacking supporting documentation, and these should be addressed.

The Regulator expects administrators and trustees to reflect on these findings and work together to identify ways to improve administrative practices to better serve members. Improving data should be a priority for all and administrators and trustees should prioritise investment in technology, systems and data.

In addition, the Regulator is developing a new administration strategy to further support the industry.

Practical points:

- *Be aware of key insights from the Report.*
- *Consider whether existing administration agreements need to be updated.*

CONSULTATION ON PENSIONS REGULATOR ENFORCEMENT STRATEGY

The Pensions Regulator is consulting on a new enforcement strategy which it says reflects its move towards more risk-based regulation. Consultation closes on 11 November 2025.

The Regulator is consulting on a new enforcement strategy. The strategy sets out the principles which guide the exercise of the Regulator's powers and reflects a shift in how it regulates. The new strategy aims to be a "*more focused, agile, and outcomes-driven model, aligned with… [a] shift toward a more prudential style of regulation.*" Consultation closes on 11 November 2025.

The Regulator highlights some of the key ways in which the new strategy differs from the previous version, including:

- **Putting member outcomes first:** The focus will "*shift from monitoring outputs to delivering real-world outcomes, such as preventing harm, securing redress, and building saver confidence*".
- **Setting clear enforcement priorities:** Enforcement efforts will be focussed on issues that that pose the greatest risk to members and the pensions system. By setting clear, central priorities and applying them consistently, the Regulator says it can make better use of resources and take action where it will have the greatest impact.
- **Targeted enforcement:** A proportionate, risk-based approach will concentrate resources on the most serious harm to members. The Regulator will monitor trends and evaluate outcomes to ensure enforcement actions drive behavioural change, deter misconduct, and deliver meaningful benefits to members, particularly those who are vulnerable or at greater risk. This includes lower-income workers and members most likely to experience financial hardship in retirement. When deciding whether to act, the Regulator will consider things such as the impact of the harm and its scale and complexity.
- **Acting earlier to prevent harm:** The Regulator will consider enforcement earlier to stop problems before they escalate, which means closer integration between teams, setting clearer expectations, and engaging in early interventions to prevent harm and stop issues before they grow.
- **Using data for smarter decisions:** There will be an increased use of data and digital tools to spot trends, guide decisions, and track results.
- **Being open about actions:** The Regulator intends to "*optimise*" the way in which it publishes enforcement outcomes and communicates expectations.

The changes being proposed are intend to help the Regulator to "*deliver the right action, at the right time, to achieve the right outcome: protecting savers, raising standards and compliance, and supporting a pensions system that works in the best interests of savers.*"

Practical points:

- *Consider whether to respond to the consultation.*
- *Watch out for the final version of the policy.*

INDUSTRY ALERT: IMPERSONATION FRAUD

The Pensions Regulator has issued an alert aimed at trustees and administrators which highlights a pension fraud technique involving unauthorised access to members' accounts and urges vigilance and the reporting of any suspicions.

The alert says that a common theme has been identified in Action Fraud reports which relates to attempts to gain unauthorised access to members' accounts. The methods identified include:

- **Hacking members' email accounts:** obtaining access to correspondence between the member and the scheme and then impersonating the member to change details of the member's bank account to access funds.
- **Accessing members' account information**: setting up fake pension accounts in the member's name and moving funds from the real account to the fake account.

- **Deceased members' funds:** diverting funds to an alternative bank account without the next of kin's knowledge.

To combat these new types of fraud, the Regulator recommends educating members by telling them about the importance of online security and ensuring their pension account details are up to date. It is suggested that schemes should signpost members to the City of London Police Identity fraud guidance and the Stop! Think Fraud website. Trustees and administrators should also review the measures in place to prevent identity fraud, including member identity and verification checks.

Practical points:

- *Consider whether additional information needs to be given to members.*
- *Review existing scheme security measures.*

UPDATE ON IDENTITY VERIFICATION FOR DIRECTORS

From 18 November 2025, new legal requirements for directors and people with significant control of companies to verify their identities will begin. These requirements apply to corporate trustees.

As we reported in our November 2023 edition, the Economic Crime and Corporate Transparency Act 2023 contains a number of provisions which are designed to stop the use of corporate structures to conceal economic crime and to improve corporate transparency. These include a requirement for all new and existing company directors and individuals who are "persons with significant control" (**PSCs**) to verify their identity. If this requirement is breached, both the individual and the company will have committed an offence. Identify verification can be carried out either directly via a website or by using an authorised corporate service provider.

The identity verification requirements will begin to apply from 18 November 2025. From that date:

- new directors will need to verify their identity to incorporate a company or be appointed to an existing company;
- existing directors will need to confirm they have verified their identity at the same time as they file their next annual confirmation statement, during a 12-month transition period;
- existing PSCs will need submit a statement confirming they have verified their identity within a 14-day period, the dates of which will vary depending on a number of factors including whether they are also a director of the company but will be sometime in the 12 months following 18 November 2025.

Identity verification requirements for limited partnerships, corporate directors of companies, corporate members of limited liability partnerships and officers of corporate PSCs will start later.

These requirements apply to directors and PSCs in relation to corporate trustees in the same way that they apply to other companies. For more information about the new identity verification requirements, read the Government's guidance.

Practical points:

- *Directors of corporate trustees need to consider when they will need to comply with the new requirements.*
- *Ensure that PSCs also comply.*

WATCH LIST

For upcoming developments see our Pensions: What's Coming webpage.

	Topic	Details	Relevant dates
1.	**Collective defined contribution schemes**	The Government has consulted on the possibility of permitting CDC schemes for unconnected employers, paving the way for commercial providers to offer such schemes.	Regulations to be issued in Autumn 2025 to come into force in 2026.
2.	**Dashboards**	Trustees of the majority of registrable UK schemes with active and/or deferred members will need to ensure that their scheme is connected to the dashboard eco-system over the next 12 months.	Compulsory connection deadline of 31 October 2026 for schemes with 100+ active and/or deferred members at year end between 1 April 2023 and 31 March 2024. Detailed staging timetable set out in DWP guidance.
3.	**Decumulation options - DC**	The Pension Schemes Bill will require trustees to provide access to a default retirement solution for DC members.	Provisions in Pension Schemes Bill due to be enacted in 2026 with regulations also anticipated in 2026. Phased implementation from 2027.
4.	**Default funds - DC**	The Pension Schemes Bill will require multi-employer master trusts and GPPs used for auto-enrolment to have a main default fund with assets of £25 billion. It also sets out a regime for the approval and supervision of such funds.	Provisions in Pension Schemes Bill due to be enacted in 2026. Requirements in force in 2030 with transitional provisions to 2035.
5.	**Notifiable events on corporate activity - DB**	It appears TPR has ceased work on the notifiable events code of practice so it is not clear whether there will be any further developments.	No dates are known as to when or if any progress will be made. It seems this change may have been dropped.
6.	**Small pots consolidation - DC**	The Pension Schemes Bill provides for the consolidation of dormant DC pots of £1000 or less. Consolidators are likely to be DC master trusts.	Provisions in Pension Schemes Bill due to be enacted in 2026. Consolidators selected in 2029 and consolidation to start in 2030.
7.	**Superfunds - DB**	The Pension Schemes Bill sets out a framework for the authorisation and supervision of superfunds and transfers to them. The possibility of a public consolidator is still being considered.	Provisions in Pension Schemes Bill due to be enacted in 2026 with regulations anticipated in 2027. Coming into force in 2028 alongside a new code of practice.
8.	**Surplus - DB**	The Pension Schemes Bill will repeal the requirement to have passed a resolution before April 2016 to retain a power to distribute ongoing surplus and include a new statutory power to amend scheme rules to allow a refund.	Provisions in Pension Schemes Bill due to be enacted in 2026 with draft regulations also anticipated in 2026. Requirements in force in 2027 and guidance issued.

	Topic	Details	Relevant dates
9.	**Tax issues**	Draft legislation has been published in relation to inheritance tax (IHT) on inherited benefits and death benefits (excluding lump sum death in service benefits and dependants' scheme pensions).	Final-form legislation is anticipated to be included in the next Finance Bill, to be issued following the 26 November Budget. IHT changes are anticipated from 6 April 2027.
10.	**Value for money - DC**	Pension Schemes Bill allows for regulations to set out a new value for money framework for occupational pension schemes.	Provisions in Pension Schemes Bill due to be enacted in 2026 with regulations also anticipated in 2026. First new assessments and published data in 2028.
11.	**Virgin Media regulations - DB**	Pension Schemes Bill will allow actuaries to retrospectively certify an amendment to contracted-out benefits where historic confirmation cannot now be found.	Bill due to be enacted in 2026.

London
T +44 (0)20 7600 1200
F +44 (0)20 7090 5000

Brussels
T +32 (0)2 737 94 00
F +32 (0)2 737 94 01

Hong Kong
T +852 2521 0551
F +852 2845 2125

Beijing
T +86 10 5965 0600
F +86 10 5965 0650

Published to provide general information and not as legal advice. © Slaughter and May, 2025.
For further information, please speak to your usual Slaughter and May contact.

www.slaughterandmay.com

591542791