

PENSIONS ESSENTIALS

February 2026

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DATA PROTECTION COMPLAINTS PROCESS

The Data (Use and Access) Act will require data controllers to have a data protection complaints process which complies with certain requirements. This will need to be in place by 19 June 2026 and the ICO has issued guidance on what it should look like.

The [Data \(Use and Access\) Act](#) provides that data controllers must facilitate the making of complaints in relation to data protection issues. Trustees are data controllers for these purposes and administrators may also be. The ICO has also [issued guidance](#) about these new requirements, which will apply from **19 June 2026**.

Key points to note include:

- Complaints will need to be acknowledged within 30 days of receipt (which includes bank holidays and weekends). There is no prescribed form of acknowledgement or particular information that needs to be given, but a record should be kept.
- In-scope complaints could include how trustees have responded to a subject access request, the security measures used to store personal information (eg. where there has been a data breach, regardless of whether it's reportable), or how personal information has been collected. If it is not clear whether a complaint relates to data protection, trustees or administrators should ask.
- Trustees must provide a way for individuals to complain about data protection issues. This may be via a form, but if someone complains in another way, this will still need to be dealt with. This means that everyone involved with a scheme should be trained to recognise data protection complaints.
- Appropriate steps must be taken to respond to a complaint and the complainant must be informed of the outcome, in both cases "without undue delay". The guidance says that this means without "an unjustifiable or excessive delay" and that the obligation to investigate begins on receipt of the complaint, not after the end of the 30-day acknowledgement period.
- If the trustees choose to use the IDRPs to deal with data protection complaints, they "must ensure that this doesn't cause an unjustifiable or excessive delay". If they can complete the data protection investigation in a shorter amount of time than the IDRPs requires, they must do that. In addition, if a complaint relates to a number of issues, including data protection, and a decision can be reached on data protection sooner than on the other issues, that must be done.
- Data controllers must tell people about their right to complain and this information must be given both at the point that personal information is collected (eg. in the privacy notice) and when responding to a subject access request. Trustees should therefore consider reviewing their privacy notices and subject access request processes.

Practical points:

- *Consider what changes need to be made to existing privacy notices.*
- *Consider whether the IDRPs can be adapted for these purposes and provide training.*

PENSIONS SALARY SACRIFICE CAP

The Government announced in the [November 2025 budget](#) that it would impose a cap of £2000 on the pension contributions that can benefit from NI savings via salary sacrifice from 6 April 2029. [Legislation to introduce the cap](#) continues to progress through Parliament, and the [Office of Budget Responsibility](#) has [issued figures](#) setting out the possible impact of the change.

The Government is introducing changes to the way that salary sacrifice works in relation to pension contributions from 6 April 2029. Once the changes come into force, there will be a limit of £2,000 on the amount of any salary sacrifice for pension contributions that will be exempt from National Insurance contributions (NICs). If an employee sacrifices more than £2,000 of salary for pension contributions (which will be reported to HMRC through payroll software), both employer and employee NICs will be due on the excess. A Bill is currently going through Parliament to enable this change to be made.

Currently, it is thought that around one-third of employees contribute to their employer's pension arrangement via salary sacrifice arrangements. Under these arrangements, employees agree to receive a lower salary in return for the employer making increased pension contributions. The advantage is that both the employer and employee pay NICs on a lower salary amount. For employers, the NICs savings can be significant, as their NIC rate is 15% of gross salary, with no upper limit. For employees, the savings are lower - for earnings between £12,576 and £50,268 the NIC rate is 8%, but drops to 2% on earnings above that.

There is therefore potential for the change to raise significant additional revenue, but at considerable cost to employers. The OBR has issued some [supplementary information](#) about the financial and behavioural impact the change might have.

It estimates that almost £26 billion of pension contributions will be made via salary or bonus sacrifice in 2027-2028 and that this should rise to £29.3 billion in 2030-2031. The proposed changes will yield around £5 billion in National Insurance revenue if behaviour and contributions remain unchanged.

However, the OBR observes that the likely impact of the change on behaviour is highly uncertain. One way in which employers might deal with the change could be to make increased employer pension contributions in lieu of future salary growth. As non-salary sacrifice employer pension contributions are exempt from National Insurance, that could potentially allow the same contributions to continue at no additional cost. However, this would only be possible where salary growth is sufficient to replicate the contributions that would otherwise have been paid via salary sacrifice.

Another alternative would be to reduce salary to allow employers to make higher pension contributions. Under existing [rules](#) (on optional remuneration arrangements), where an employee chooses to give up salary for an additional benefit, unless an exemption applies (as is currently the case for all pension contributions), the employee's earnings will be treated as including the greater of the amount of salary forgone or the value of the benefit. The OBR cautions that these rules mean that "*the employer must take an 'across the workforce' approach to increased generosity of employer contributions and a proportionate reduction in pay*", presumably because the optional remuneration rules do not allow the reduction to be an employee choice. The OBR anticipates that companies "*may have difficulties implementing*" this kind of change. It is also worth noting that the new Employment Rights Act contains provisions which will make reductions to contractual pay difficult.

The OBR anticipates that over time, the salary sacrifice change could result in lower wages, lower employer pension contributions and lower profits, and it anticipates that employers will seek to pass some of the additional cost to employees through lower employer contributions and salaries and bonuses. There is also an assumption that employees may reduce their own DC contributions - with lower earners reducing contributions by a higher percentage.

The effect of these behaviours would be to significantly reduce the gain to the Government. It should also be noted that, given pensions adequacy is already a concern, this change seems likely to add to the problem over the long term - requiring more drastic policy interventions to mitigate its effects.

Practical points:

- *Watch out for more from HMRC in relation to salary sacrifice.*
- *Sponsors should consider options in advance of 2029.*

SUPERFUND TRANSFERS AND BUY-INS

PASA has [issued guidance](#) on how scheme administration can smooth a transfer to a superfund or a buy-in. It focuses on areas where schemes most often encounter friction, including data integrity, administrative processes, member communication, deferred member benefit calculations, risk management and resourcing.

PASA has [published guidance](#) aimed at supporting trustees, administrators and advisers to navigate the practical issues they might encounter in relation to buy-in and superfund transactions. It identifies a number of key themes:

- **Align administration early:** early engagement allows administrators to understand provider requirements, embed changes into systems and workflows, and prepare staff well in advance of transfer.
- **Compliance and processes:** benefit calculation and payment should be aligned with provider processes.
- **Data integrity and reporting:** data quality is key and is an ongoing requirement post-completion.
- **Transparent member communications:** members should be kept informed throughout the transition and changes should be explained clearly, with prepared FAQs and scripts for common queries.
- **Adjustments for deferred members:** adapt systems, processes and expectations to align with insurer requirements, while continuing to deliver timely, accurate information to members.
- **Risk management:** these types of transaction introduce a range of operational, data, payroll and communication risks. Effective risk mitigation relies on early identification, clear ownership and proactive planning.
- **Resourcing and budgeting:** agree scope, fees and contingency budgets early; leverage provider expertise and maintain regular progress update calls.

In addition, TPR is [continuing to update](#) its superfund guidance in advance of the new superfund regime under the Pension Schemes Bill. Schemes looking at a superfund transfer should ensure that they are looking at the most recent version.

Practical points:

- *Schemes looking at a buy-in or superfund transfer should consider PASA's guidance*
- *Key steps should be agreed in advance with administrators.*

PENSIONS REGULATOR APPOINTMENT OF TRUSTEES

A recently published [determination notice](#) shows the importance of ensuring that scheme assets vest in a new trustee. Although this case concerned TPR's powers, the issue is equally important in normal circumstances.

TPR has recently published a [determination notice](#) relating to the appointment of an independent trustee where no existing trustee had the required level of knowledge and understanding. The appointment did not clearly vest the assets of the scheme in the new trustee. This meant that the independent trustee had to take steps to transfer the scheme assets into its control, which proved problematic. As a result, it asked TPR to make a vesting order under [section 9 of the Pensions Act 1995](#) and TPR agreed.

Whilst the determination is not particularly interesting, it is a useful reminder of the importance of making sure that scheme assets transfer to a new trustee. The [Trustee Act 1925](#) provides that most property will automatically vest in a new trustee where they are appointed by deed. This means that, regardless of what the trust deed provides, it is important to ensure appointments are made by deed. There are some exceptions to this automatic transfer of property, and separate steps will need to be taken in relation to certain types of property holdings and investments which are “only transferable in books kept by a company or other body, or in manner directed by or under an Act of Parliament”.

Practical points:

- *Ensure new trustees are appointed by deed.*
- *Identify if any additional steps need to be taken in relation to other assets.*

PENSIONS OMBUDSMAN ROUND UP

A recent High Court decision looks at when an appeal can be made from a decision of the Ombudsman. In addition, a recent determination looks at what happens when a member's benefit has been lost and several schemes claim that the obligation to pay it is not theirs.

Appeal from Ombudsman determination: In a recent case the court looked, amongst other things, at when an Ombudsman determination can be appealed. The case was brought by individuals who were trustees or managers of three schemes that the Ombudsman had determined were scams and whom he had ordered to pay substantial sums into the schemes and to various scheme members.

One basis of appeal related to whether a member had brought a claim in time, which in turn related to the question of when they could reasonably have known of various issues. The judge considered that this actually related to a question of fact, and therefore an appeal could only succeed if it could be shown that there was no basis in the evidence for the Ombudsman's conclusion (or that the conclusion was perverse), or that the Ombudsman took into account irrelevant considerations, or ignored relevant considerations. There was no evidence that this was the case.

Another basis related to findings of dishonesty which prevented reliance on an exoneration clause. It was argued that when assessing their conduct, the Ombudsman held the trustees to too high a standard, as they had limited experience in the pensions industry. The judge said that the appropriate standard for judging dishonest conduct was the “*standards of ordinary decent people*”. In asserting that the Ombudsman held them to “too high a standard”, the individuals were seeking to displace his conclusions as to how much allowance ordinary decent people would have made for their inexperience in the pensions industry. This was therefore also a challenge to a conclusion of fact and the court found no reasons to doubt the Ombudsman's conclusions.

The case is a useful reminder of the limited circumstances in which the courts will reconsider findings of fact made by the Ombudsman.

Deferred member entitlement: R was a member of the Midland Bank Scheme between 1972 and 1990. She received a transfer quote in 1991 and the trustee's records showed that her benefits were transferred to a personal pension scheme in 1992. In 2016, R sought payment of her benefits from the Scheme and was told they had been transferred out. The subsequent owners of the personal pension scheme could find no record of R's benefits. HMRC's contracting-out data showed R had three periods of membership in the Scheme, two of which had been transferred out. R complained that she had no memory of requesting or consenting to any transfer and that the Scheme should provide a deferred pension.

The Deputy Ombudsman (DPO) determined that it was unlikely that R “*would have initiated a substantial financial transaction such as a transfer and have no memory of it*” or that she would not have followed up when she received no documentation in relation to the transfer. In addition, the personal pension scheme was required to keep detailed records in relation to transfers indefinitely following the review into personal pensions mis-selling and the fact its successor has no records in relation to R also indicated that a transfer did not take place. Finally, had the transfer actually been made, it would have been outside the statutory window for doing so.

The DPO also criticised the trustee for acting as if it were for R to “*disprove that a transfer took place, rather than for the Trustee to prove that it had made a transfer payment and had been discharged of all liability*”. She concluded that R should be entitled to a pension from the Scheme.

This is an interesting determination, as the only entity that seemed to have any evidence was the Scheme and that was held to be unreliable. It shows the importance of considering historical data against the entirety of the factual background. It also illustrates a desire to ensure that a member receives a pension from somewhere.

Practical points:

- *Be aware of the limited circumstances in which an appeal can be made in relation to an Ombudsman determination.*
- *Where there is a disputed transfer record, consider all other available evidence.*

DASHBOARD UPDATE

As the longstop dashboard connection deadline of 31 October 2026 approaches, a number of recent updates remind trustees and administrators that work in relation to the dashboards should be ongoing. Once they are connected, there are still continuing obligations that need to be complied with.

Reporting standards: The [reporting standards](#) form part of a [set of standards](#) that together form rules and controls to facilitate the ongoing connection to, and operation of, the dashboards ecosystem. The reporting standards deal with requirements for generating and retaining records of data relating to coverage, service availability and view responses. The [Dashboard Regulations](#) require both providers and trustees to comply with these rules.

Under the current version of the reporting standards, the collected information must be made available to the Money and Pensions Service (MaPS) on request. It had been made clear that this was a temporary position only, and that eventually the relevant information would need to be routinely provided to MaPS. A [revised draft](#) has been issued which will require the information to be submitted automatically on a daily basis. Comments are invited by 26 March 2026, and those managing dashboard connection for schemes need to ensure that they can comply.

Dashboard accessibility: A [blog from the Pensions Dashboard Programme](#) sets out how the MoneyHelper Dashboard has been designed to be accessible for users with different needs. Where schemes encounter members with concerns about whether they will be able to access dashboard information because of specific needs, it is worth being aware of this, as it may provide some reassurance.

These updates provide a timely reminder to schemes that the longstop dashboard connection date of 31 October 2026 is approaching, and those not already connected to the dashboard infrastructure need to ensure that arrangements are well in hand to ensure that they can meet this deadline. There is still no date for the dashboards to go live to members.

Practical points:

- *Ensure that third party providers remain on top of dashboard compliance and regularly monitor activities.*
- *Ensure that scheme is or will be connected by longstop deadline.*

WATCH LIST

Topic	Details	Relevant dates
1. Collective defined contribution schemes	The Government has issued draft regulations permitting CDC schemes for unconnected employers, paving the way for commercial providers to offer such schemes. It has also consulted on the possibility of allowing trustees to select retirement only CDC arrangements as a default retirement option for members	Regulations intended to come into force in July 2026 on unconnected employer CDC. Consultation on retirement CDC arrangements closed on 4 December 2025. Consultation closes on TPR's CDC code of practice on 13 February 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 8 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. See 1. above for use of CDC schemes as a solution for these purposes.	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. Virgin Media remediation - 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.
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.

Topic	Details	Relevant dates
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.
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). The 2025 budget has announced a cap on salary sacrifice arrangements for pension contributions of £2000.	Final-form legislation is anticipated to be included in the next Finance Bill, to be issued following the 2025 Budget. IHT changes are anticipated from 6 April 2027. These proposals are due to be implemented in April 2029.
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. Joint consultation on TPR/FCA proposals closes on 8 March 2026.

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