

It is no surprise that the pensions industry is in for another incredibly busy and ambitious year in 2026. With an unprecedented raft of measures and changes already mapped out for the next year and beyond, thanks to the government's Pension Roadmap, the sector is bracing for a period of intense activity.

Indeed, Pensions UK executive director of policy and advocacy, Zoe Alexander, says that “from a policy perspective, 2026 looks set to be as active as 2025”.

A key moment set to take centre stage early in the year is the continued passage of the Pension Schemes Bill, which will take forward several much-needed and long-awaited reforms.

In particular, Sackers partner, Helen Ball, points out that new rules are expected on consolidation and DC megafunds, small pots, value for money (VFM), no-consent transfers, and new investment requirements.

And rather than the end of the road, the passing of the bill will sound the starting gun on the next round of work for these changes, many of which will require further consultation, secondary legislation, and industry debate.

“That will keep most of us on our toes, and as if that is not enough to be getting on with, we'll also have to make sure we get to grips with dashboards, trustee governance, CDC schemes, guided retirement solutions and targeted support,” Ball says.

*Pensions Age* takes a closer look at some of the key areas of focus for the year ahead, and the work needed to make it happen.

### The Pensions Commission

Perhaps one of the most-anticipated pieces of work for the year ahead, Alexander points out that the Pensions Commission will be in “full swing” in 2026, set to publish its interim report in the spring.

And industry organisations are



# The year ahead: Pensions in 2026

**With the Pension Schemes Bill set to receive Royal Assent early in the new year, signaling the starting line for another huge shift in the pension landscape, 2026 is set to be another incredibly busy year. Sophie Smith looks at the key priorities and areas of focus ahead**

keen to engage with the commission, as Alexander says that “our members are expecting to play a vital role in providing evidence and timely research to equip the commissioners to set a for reform for improving adequacy and fairness for a more inclusive retirement system”.

But while many are hopeful that this will create a path forward for meaningful change, this will require a long-term perspective, as Pensions Management Institute (PMI) chief strategy officer, Helen Forrest Hall, cautions against “incremental tweaks or piecemeal adjustments that risk destabilising the system”.

“What’s needed is a clear, long-term strategy that delivers coherence and certainty – not short-term fixes,” she continues.

“Employers, trustees and advisers cannot plan effectively without confidence in the direction of policy. Government must resist the temptation to tinker further and instead allow the Pensions Commission to do its job: to set out a robust long-term roadmap that strengthens the system and secures good outcomes for all savers.”

Hughes Price Walker director, Ray Hughes, also stresses the need for a long-term perspective, suggesting that the

commission should focus on adequacy to 2050 and beyond, especially for lower earners and those at risk of undersaving.

### The push for scale continues

In line with the shift seen throughout 2025, one overarching trend in 2026 is expected to be a decisive drive towards scale and consolidation. This is a move many are hopeful will help improve member outcomes and provide better value for money, while also helping to boost UK growth with new investment opportunities.

Indeed, TPT Retirement Solutions chief executive, David Lane, says that ongoing consolidation across the sector will also bring with it scale and better corporate governance, with key DC reforms in the Pension Schemes Bill adding emphasis to this.

But after much discussion on scale, many are keen for the pace of work in this area to truly ramp up. Zedra client director, Alastair Meeks, for instance, calls for 2026 to be the year “when we finally get the consolidation machine moving at scale to improve the prospect of members in these schemes”.

### Superfunds vs. run-on vs. de-risking: The debate continues

Another continued trend, the renewed focus on DB, shows no signs of easing in 2026. While much is still unknown, Sackers partner, Janet Brown, says “one thing to plan for is change”.

In particular, and after years of slow progress, 2026 is expected to see the framework for DB superfunds mature significantly, as LCP partner, David Fairs, says that superfunds will “finally come of age with two or more new entrants,” establishing a real market with choice.

Lane says he is also “particularly excited” about the new assessment and supervisory framework for DB superfunds, which will allow employers to de-risk responsibly – while preserving and possibly increasing – benefits for members.

But further changes could yet be seen, as Fairs suggests that changes to the gateway test could also widen the market for superfunds further, adding to recent industry calls in this area.

DB superfunds are not the only area seeing progress though, as the Pension Schemes Bill has also brought progress on changes to DB surplus flexibilities, with further easements also announced in the Autumn Budget.

“Like a burst of caffeine, all of the following – the return of funding levels, possible changes to powers to release surplus and or pay one-off lump sums, along with the changing DB world with superfunds and new consultations on trusteeship and administration, mean there are plenty of key themes for DB schemes to look at next year,” Brown says.

This is likely to leave many trustees with a growing list of considerations, as Fairs queries: “Will trustees just go for an insured buyout or an augmentation to member benefits, potentially a refund to the employer and a transfer to a superfund?”

Despite these growing options, the bulk purchase annuity market is on track for another record-breaking year, and de-risking remains the main goal for most DB schemes, with recent research from Aon revealing that, despite growing interest in run-on opportunities, de-risking continues to be the dominant focus.

Trustees in this position will have their own considerations, however, as Brown says: “Those who have made the move to buy-in already will be considering not the risk transfer market capacity to do the sexy buy-in deal, but the market’s ability to deliver the road to buyout and transition their administration over to the insurer’s administrator.”

### CDC – making its mark at last?

Another area making much-anticipated progress after years of discussion is

### Timeline

- **Early 2026** – Pension Schemes Bill set to receive Royal Assent
- **Spring 2026** – The Pensions Commission’s interim report is due
- **March** – Government consultation on improving the standards of trusteeship, governance and administration closes
- **March/April** – Targeted Support – The application gateway is on track to open in March followed by the regime going live in April.
- **July/August** – Multi-employer CDC – New regulations due to come into force in July, with TPR to begin accepting applications from August.
- **Late 2026** – Value for Money (VfM) – The formal regulations process is scheduled to begin.
- **Late 2026** – Guided Retirement – Development of new regulations is set to begin.

collective defined contribution (CDC), with many suggesting that this could be the year it makes its mark on the landscape.

Bringing renewed hope that the somewhat fraught journey to CDC could be nearing its end, the latest timings suggest that the new regulations for multi-employer CDC will come into force at the end of July 2026, while The Pensions Regulator (TPR) is set to begin accepting applications from August 2026, meaning schemes could be operating in early 2027.

Zedra client director, Alastair Meeks, jokes: “For many years the joke has gone that Brazil is a country with a bright future and always will be. For many years much the same could have been said of CDC. But finally in 2026, its time is coming.”

This, according to Fairs, means that “many more savers will have access to smoother and more sustainable retirement incomes and higher growth investment strategies – without needing

to navigate the difficult retirement choices associated with more traditional DC schemes”.

However, Meeks warns that although the concept has been proven and “big players are moving in”, professionals will also be wrestling with the communication challenges CDC gives rise to in the year ahead.

“How do we ensure we don’t overpromise to members while still explaining CDC’s strengths?” he queries. “And in the background, prudent thought will be given to the key person risk in CDC, which centres on the scheme actuary. She or he will have the heavy responsibility of advising the trustees on setting the returns, year on year. In leaner years, with an immediate impact on the amount in pensioners bank accounts next month, the pressure could be intense. Making sure that structures are in place to manage that is a vital challenge for CDC in 2026.”

Retirement CDC is also set to make strides, building on the consultation launched by the government at the end of 2025.

But with no mention of retirement CDC in TPR’s updated code of practice; many are also eagerly waiting to see if the government will listen to industry concerns on the need for more aligned timing between retirement CDC and the guided retirement duty.

### Dashboards – the final countdown begins

This is also the year the pensions dashboard must move from the drawing board to the desktop, or as Hughes puts it, moves “from theory to operation”.

“2026 is the year! The focus is no longer planning, it’s delivery, data quality and system performance,” he says.

Lane also highlights the final connection deadline in October 2026 as an “important milestone towards the launch of a tool that could revolutionise people’s understanding of their pension savings”.

But there is still much more work to do before this, as Trafalgar House client relationship manager, Callum Westney, warns: “Dashboards will dominate trustee agendas in the year ahead, with 2025 connection deadlines fast approaching. Trustees must make decisions and take action now to ensure data readiness and avoid being caught out by the scale of the work involved.”

Alexander echoes this, warning that implementation “will not come without complexity”, and urging schemes to engage with consultations on regulations and guidance.

### Role of AI to grow

Whilst many of the issues for 2026 are years in the making, the use of AI is bucking this trend, quickly dominating the pension’s agenda in just a short space of time.

This is set to grow, as Meeks suggests that 2026 will see AI “percolate throughout every aspect of pensions as it is being practised”.

“Everywhere we look, we see serious thought being given to how this extraordinary technology can be put into service, he says, continuing: “Administrators are already using it to look at what members want from them. Solicitors are thinking about how to

harness AI’s undoubted power to create documentation while avoiding the phantom memories to which it can fall prey. Artificial pensions managers are being constructed.”

Given all this, he suggests that “very soon, we will be thinking about AI in pensions in the same way that we think about computing in pensions: simply integral to it”.

This is a change the industry should embrace rather than fight, as Forrest Hall emphasises that “the industry will again need to embrace change to improve efficiency and engagement”.

“These developments represent practical steps toward a more resilient and responsive pensions system,” she continues.

However, balancing the use of AI will be a crucial issue, as Meeks warns: “One challenge for pension professionals will be that increasingly members are outsourcing the thinking too. AI can explain communications to members but it can’t understand them for members. In 2026, pensions professionals will need to consider how to bypass the machine.”

And the growing use of AI is also likely to bring growing cyber security concerns, as trustees are expected to become more familiar with not just cyber opportunities, but also risk.

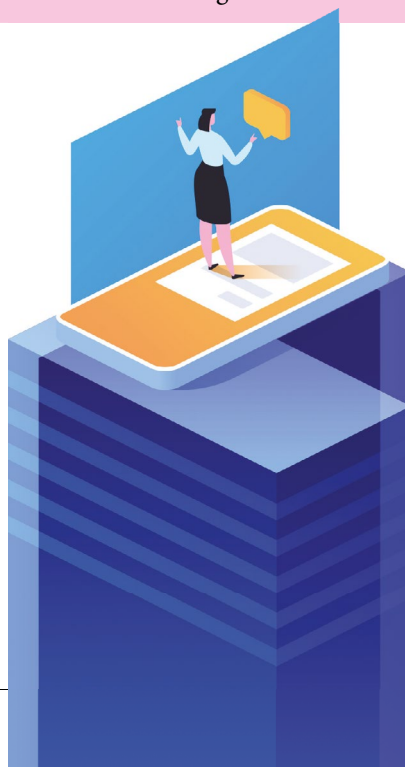
Indeed, Hughes says that cyber security issues are fast becoming regular board business, emphasising that “cyber resilience, supplier controls, incident plans and reporting expectations must be addressed by trustees and given the necessary attention”.

This is echoed by Trafalgar House head of IT, Stephen Wright, who cautions that although cybersecurity has climbed the agenda, trustees can’t assume it’s mission accomplished.

“It’s not ‘set and forget’”, he says. “Trustees must stay on high alert in 2025 to keep their schemes protected.”

### Raising the bar

After the end of 2025 saw the launch of



the government's consultation on raising trustee and administration standards in the pensions industry, many expect the topic of standards and governance to be a key focus for the year ahead.

Indeed, Forrest Hall says that the drive for higher standards of trusteeship through stronger governance frameworks to protect members and maintain confidence will continue "at pace" in 2026, stressing that "we must all stay engaged".

"Government and regulators will be hoping for a strong response to a series of crucial consultations on trusteeship, administration and VFM, which will reshape expectations," she continues. "Trustees will need deeper technical knowledge and the ability to challenge advice effectively."

Adding to this, Cartwright Pensions Trusts head of investment, north, Yona Chesner, says that with volatility rising, trustees may have to take faster decisions. Strong governance will be "critical" to navigating 2026 successfully.

"Schemes should be thinking about their decision-making and delegation frameworks and be working with advisers well placed to move swiftly should the need arise," she adds.

#### And so much more...

In addition to the headline themes for the upcoming year, there is a whole raft of broader and interlinked changes on the horizon that pension professionals will need to be thinking about:

- Legal issues are set to be a key consideration in several areas. Ball says that while we don't yet know the details of 'what' much of the upcoming work will all involve and 'when' exactly it will apply... we can expect that the space set aside on trustee meeting agendas for 'legal updates' is about to need a lot more airtime.

"Trustees will need to keep in touch with their advisers, administrators and other service providers to have a watchful eye on what may be coming

next and be ready to change plans quickly if needed," she says.

- The new DB Funding Code scope extends: Brown points out that 2026 will also see more schemes entering the new DB Funding Code world, warning that "the statement of strategy is certainly not going to be a 2026 summer beach read".

- The VFM framework, a key driver behind many of the broader trends seen, is set to make significant progress in the year ahead, as Lane points out that a "near-final version of the value for money framework" is expected by late 2026.

"[*This will be*] a vital tool in refocusing the DC industry on holistic value, including more diversified and innovative investment strategies, and away from cost alone," he says.

- Beyond the more headline focuses for 2026, several technical challenges remain. Brown notes that the legislative remedy for the *Virgin Media* case "could be helpful and put a few issues to bed – let's hope so".

- GMP equalisation efforts are set to continue [*read more on page 80*], but concerns are emerging over the pace, as Hughes emphasises that "eight years after the *Lloyds* judgment is long enough to be underpaying pensioners."

- The focus on UK investment will continue to loom large, and Alexander says that the part pension schemes play in UK growth will continue to be debated in 2026. "Pensions UK will work with government and stakeholders in the wider economy to help identify and promote investible opportunities, aligned with national growth priorities and long-term value creation," she says.

- Many are hopeful around the upcoming introduction of the FCA's targeted support framework. "2025 could mark a turning point for retirement savers as the FCA's proposals on targeted pension support take shape," Trafalgar House technical and communications manager, Karla Bradstock, says.

"Trustees and providers must prepare

for a world where savers have more help at their fingertips, bridging the gap between advice and action." The targeted support gateway is expected to open for applications in March, with the regime itself expected to officially go live from April, subject to legislation being passed by the government.

- With so much regulatory work on the horizon, Fairs suggests that conversations around broader framework changes could also emerge: "This could be a very busy time for The Pensions Regulator and raises the prospect that consolidation in the marketplace might mean consolidation of the regulators."

#### From policy to reality

Much of this work is long-awaited and builds on many years of consultation and industry debate. But even the best planning can go awry, and many industry experts are keen to stress the need for careful implementation of the above work in 2026.

Forrest Hall cautions that "policy reform can only make a difference if it works in practice, and the challenge of implementation is where the industry must focus its energy in 2026", stating: "Complex regulatory changes, from dashboards to VFM frameworks, require clear guidance and practical tools to avoid confusion and ensure compliance.

"The coming year will test the sector's ability to translate ambition into action, turning high-level principles into operational reality."

This is echoed by Festina Finance UK country head, Dan McLaughlin, who warns: "With a seismic reform agenda in play, you could argue that the priority now is not to lobby for wholesale change. That said, where further intervention is needed, it should be highly targeted, focused on preventing poor outcomes rather than adding unnecessary complexity."

 **Written by Sophie Smith**