

# Quarterly pensions review

## Aptia's client newsletter

Q2 2026

Welcome to our update on the latest developments in pensions law and practice affecting pension schemes administration and a timeline of future events you should keep in mind.

For further information please do get in touch with your Client Director.

### Key developments over the quarter

- **Pension Schemes Act 2026:** The Act has finally received Royal Assent and is now on the statute books. Some measures are effective immediately. Others will come into force over the next four years.
- **The National Insurance Contributions (Employer Pensions Contributions) Act 2026:** This legislation, effective April 2029, will restrict pension contributions by salary sacrifice.
- **Finance (No.2) Act 2026:** Measures bringing unused pension funds within inheritance tax are now law and will come into force from April 2027.
- **Data (Use and Access) Act 2025:** New data protection legislation has been passed and largely comes into force in June.
- **The Pensions Regulator:** TPR has updated its Pensions Dashboards guidance and also laid its new CDC Code before Parliament.
- **HMRC:** HMRC has issued a reminder that schemes must, if not already done so, migrate to Managing Pension Schemes Service (MPSS) by the end of 2026.

## The detail

### Law and policy

*Pension Schemes Bill receives Royal Assent ahead of Parliament prorogation*

On 29 April 2026, the Pension Schemes Bill received Royal Assent after several rounds of parliamentary 'ping-pong' and became the Pension Schemes Act 2026. The Bill, giving effect to Government policy objectives around scale, consolidation, investment and pension scheme governance, received Royal Assent just ahead of prorogation (the formal end of a parliamentary session). Key measures and the dates they are expected to come into force are summarised below.

- Validity of certain alterations (effective from date of Royal Assent)
- Small pension pot consolidation (regulations are expected to come into force in 2027/28, with small pots consolidators expected to emerge in 2028/29 and duties to transfer small pots effective 2030)
- Surplus extraction (regulations and guidance expected this year, with measures effective by end of 2027)
- Guided retirement duty (consultation on regulations in 2026 and measure effective 2027)
- Permanent regime for DB superfunds (consultation 2026 and in force by 2028)
- Value for money (VfM) framework for DC schemes (consultation has been issued; first VfM assessments expected to be carried out in 2028)
- Inflation protection for pre-1997 pensions in the PPF and FAS (expected to come into effect January 2027)
- PPF levy flexibility (expected to come into effect from financial year April 2027)
- DC consolidation (from 2030)
- Other measures (effective from or around date of Royal Assent)
  - Abolition of the Pension Protection Fund (PPF) administration levy
  - Granting the Money and Pensions Service discretionary power to provide detailed information on the PPF and the Financial

Assistance Scheme (FAS) through its dashboard, including individualised data

- In connection with automatic enrolment, PSA26 enables the Secretary of State to make regulations requiring employers to provide information about jobholders and workers, who are active members of pension schemes, to those schemes
- Expenditure of the PPF Ombudsman to be recovered from the general levy payable by occupational and personal pension schemes with retrospective effect from 1 April 2007, reflecting the practice in operation since 1 April 2007
- Extension of the definition of 'terminal illness' for PPF and FAS purposes to include individuals with a life expectancy of up to 12 months (up from the current six months) allowing eligible members to access lump-sum payments earlier in their illness
- Pensions Ombudsman to have powers equivalent to those of a competent court in relation to disputes concerning the recovery of overpayments, removing the need for trustees to apply to the County Court to enforce the recovery of pension overpayments
- In connection with pooling and the Local Government Pension Scheme, government powers to direct scheme managers to participate in specific asset pool companies while requiring consultation before such directions are made. These provisions are intended to be implemented through regulations

Links to further information -

- [Pension Schemes Act 2026 publications - Parliamentary Bills - UK Parliament](#)
- [Impact Assessment](#)
- [Explanatory Notes](#)

The Pension Schemes Act 2026 will not just impact trust-based pension schemes. There are considerations for FCA-regulated pension providers too:

- Guided retirement
- DC scale requirements
- Investment mandation
- Small Pots
- 'VfM'
- Transfers without consent. The Act introduces a mechanism for providers of auto-enrolment schemes and other workplace pensions to make certain unilateral changes to their schemes and to transfer members' pots to different schemes or arrangements within schemes without members' consent

### Action:

Trustees and employers should be discussing the changes with advisers and administrators, prioritising the measures effective now such as the 'Virgin Media' (validity of certain alteration) provisions. For further information, please request our dedicated Alert on the Act and see Next 12 months and beyond.

*National Insurance Contributions (Employer Pensions Contributions) Act 2026 receives Royal Assent*

The National Insurance Contributions (Employer Pensions Contributions) Act 2026 gives effect to the government's decision to limit the amount of salary sacrifice pension contributions eligible for National Insurance Contribution (NIC) relief to £2,000 per year with effect from 6 April 2029. Pension contributions above £2,000 made via salary sacrifice will be treated for NIC purposes in the same way as other employee workplace pension contributions, i.e. primary and secondary Class 1 NICs charge will be applied on such contributions.

### Action:

For noting at this stage given that the measure is not effective until 2029 and could change. Focus in the meantime should be on the IHT changes, below.

*Finance Bill and Technical note: IHT on pensions*

On 11 May 2026, HMRC published a new [Technical note: inheritance tax on pensions](#).

The technical note covers the reforms to inheritance tax introduced by Finance (No.2) Act 2026 on pensions for deaths occurring on or after 6 April 2027. It expands on the legislation and gives supporting information on how unused pension funds and pension death benefits will be treated for IHT purposes.

It is expected that the government will lay supporting secondary regulations on information sharing requirements later this year. Guidance, other supporting materials and interactive tools to support **personal representatives** will be provided by HMRC by April 2027.

### Action:

There are still some technical and reporting issues to be resolved, but trustees should begin discussions with administrators this year to ensure that processes and communications are ready for April 2027.

*Data (Use and Access) Act 2025 ("DUAA")*

The DUAA received Royal Assent on 19 June 2025. Implementation is, however, phased –

- 19 June 2025: DUAA came into force with certain provisions taking immediate effect
- 19 August 2025: New ICO powers come into effect
- 19 June 2026: Majority of provisions of the Act in force.

### Action:

For pension schemes, the direct changes are limited. Nevertheless, there are considerations for trustees; in particular, a new requirement for a complaints process from 19 June 2026. It should be noted that the DUAA amends as opposed to replaces the existing UK GDPR and Data Protection Act 2018.

### *Full targeted support regime in force from 6 April 2026*

The full targeted support regime came into force on 6 April 2026 under the Financial Services and Markets Act 2000 (Regulated Activities) (Providing Targeted Support) (Amendment) Order 2026, SI 2026/74, allowing regulated pension providers to provide more support to consumers on investments and pensions by making recommendations that are designed for groups of consumers with similar characteristics and circumstances. Financial Conduct Authority (FCA)-regulated firms have been able to apply for permissions to provide targeted support from March 2026.

#### **Action:**

For noting.

### *FCA sets out open finance roadmap to 2030*

The FCA has set out [plans](#) for the development of open finance up to 2030, saying it will engage with industry, consumer groups and fellow regulators in 2026 to develop a range of practical open finance use cases, including for pensions. It will also work with HM Treasury on options for a regulatory framework for open finance by the end of 2027. Firms will be supported to introduce open finance products sooner where they are already able to access data and appropriate permissions are in place.

#### **Action:**

For information.

### *Financial Services and Markets Bill*

The [Financial Services and Markets Bill](#) was introduced in the House of Lords on 19 May 2026. The Bill aims to support growth and investment and modernise the regulation of financial services. It would make reforms to several areas of financial regulation, including reforms to the Financial Ombudsman Service, with the aim to align its decisions more closely with FCA rules and to prevent it acting as a quasi-regulator.

#### **Action:**

For noting.

### *Local Government Pension Scheme (Amendment) (Governance) Regulations 2026*

These regulations - [SI 2026/545](#) - amend the Local Government Pension Scheme Regulations 2013, SI 2013/2356 to strengthen governance for administering authorities by requiring an LGPS senior officer and, where functions are delegated, an independent person, replacing governance compliance statements with new governance documents, and introducing governance reviews. They come into force on 30 June 2026.

### *Local Government Pension Scheme (Pooling, Management and Investment of Funds) Regulations 2026*

These regulations - [SI 2026/544](#) - revoke and replace the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, SI 2016/946, require administering authorities to participate in asset pool companies and publish new investment strategies, and amend the Local Government Pension Scheme Regulations 2013, SI 2013/2356. They come into force on 30 June 2026.

#### **Action:**

LGPS funds should be seeking specialist advice on these reforms now. Measures such as the appointment of a Senior LGPS Officer and Independent Person need to be complied with by the end of the year. There are also requirements for governance, training and administration strategies.

## The Pensions Regulator

*Updated pensions dashboards guidance and market oversight report*

The Pensions Regulator has updated its pensions dashboards guidance in response to the latest Money and Pensions Service (MaPS) guidance, progress on the central digital architecture build, policy clarification from the Department for Work and Pensions and industry feedback. The updated guidance incorporates best practice insights and includes two checklists to assist schemes: one for those still working to connect and another for those that have already connected. For further information, see -

- Pensions dashboards: [guidance](#)
- Market oversight: [Pensions dashboards](#)

### Action:

The legal deadline for connection to the Dashboards ecosystem is 30 October 2026. The Dashboards Availability Board is likely to be in late 2027 or early 2028. Trustees should start discussions with administrators on operational readiness for dashboards going live when millions of members will be able to make 'find' requests and schemes will need to provide 'view' and 'value' data.

### *CDC code laid*

TPR's expanded [CDC Code of Practice](#) - covering multi-employer CDC schemes has been laid in Parliament and is set to come into force in mid October. Multi-employer CDC schemes could be operating next year. The revised code outlines TPR's expectations, authorisation criteria, and how it will oversee this emerging market.

TPR has also published its [response](#) to the consultation on extending the CDC code of practice.

On a related note, the government has proceeded with [regulations](#) to allow bulk transfers of money purchase benefits to CDC pension schemes.

Finally, the government has published its [response](#) to the October 2025 consultation on Retirement Collective Defined Contribution pension schemes.

### Action:

The first CDC schemes for non-associated multi-employer schemes are expected from 2027.

*TPR pushes for clear endgame planning as DB schemes remain in surplus*

The Pensions Regulator (TPR) has published its latest Annual Funding Statement (AFS), setting out expectations for trustees and sponsoring employers of occupational defined benefit (DB) pension schemes. With most DB schemes now in surplus, TPR expects trustees in this tranche to be shifting their focus from deficit recovery to long-term endgame planning. TPR's [latest AFS](#) reports that six in ten (60%) schemes are in surplus on a buyout basis, rising to 80% on a low dependency basis and 90% on a technical provisions basis.

### Action:

For noting and discussion with scheme actuaries and advisers.

## HMRC

HMRC has issued [Newsletter 180](#) which includes information on:

- Pension scheme return (PSR)
- Lifetime allowance protection and enhancements – reminder
- Digitisation of relief at source (DigiRAS)
- Relief at source returns
- Pension schemes migration to the Managing Pension Schemes Service (MPSS) — action required
- Normal minimum pension age and transitional rules
- Pension flexibility statistics
- Registration Statistics

### Action:

The articles on MPSS and NMPA are of particular interest. To quote -

#### *Pension schemes migration to the Managing Pension Schemes Service (MPSS) — action required*

Since 2018, there have been two services operating for pension scheme administration: the new MPSS and the previous pension schemes online service. Since April 2022, we have been asking you to migrate your pension schemes to the MPSS .

Many pension scheme administrators have already migrated their schemes. To continue fulfilling your reporting obligations, you must take action now to ensure your schemes are prepared and migrated accordingly.

If you are a pension scheme administrator and have any pension schemes with a status of 'open' on the pensions schemes online service, you'll need to enrol and migrate.

#### *Normal minimum pension age — transitional regulations*

In Pension Schemes Newsletter 178 — February 2026, we explained that work is ongoing to develop the transitional regulations that will support the increase to the normal minimum pension age from age 55 to age 57 on 6 April 2028. While these regulations are still being prepared, we wanted

to provide some early background about their intended scope and effect. All information provided here remains provisional and subject to change as the regulations are finalised ready for technical consultation.

Changes to the normal minimum pension age can affect the continuation of certain pension benefit payments. When the normal minimum pension age was last increased in 2010 (from age 50 to 55), transitional arrangements were required to ensure affected members could continue to receive their benefits without interruption. Similar provisions will be necessary for the 2028 increase.

For example, a member who has already reached age 55 before 6 April 2028 may have met all the conditions to access a benefit before that date. However, after 6 April 2028, that same member may not be able to receive an authorised payment until they reach age 57. The aim of the transitional regulations is to ensure that members who have already become entitled to their pension benefits can continue to do so seamlessly.

These transitional provisions will only apply to members who have reached age 55 on or before 5 April 2028, and who would therefore have reached the existing normal minimum pension age at that time. Although legislation sets the minimum age at which benefits can be taken, this must always be considered alongside the rules of each pension scheme, which determine what benefits are available and from what age. In some cases, scheme rules may specify a higher minimum age than the normal minimum pension age.

Legislation for the 2028 increase already includes protection for members with an unqualified right to take their pension benefits before age 57, referred to as a protected pension age and this is reflected in existing guidance.

Subsequent to the above, HMRC published [Pension Schemes Newsletter 181 \(28 May 2026\)](#) confirming that the existing Pension Schemes Online Service will be withdrawn by April 2027, and all schemes must complete migration by 31 December 2026 to avoid disruption. The regulator has warned of potential service limitations and operational risks during transition, requiring administrators to take proactive action to maintain compliance and continuity.

## Other News

*Pensions Commission interim report warns pensions system faces long-term adequacy challenge*

The Second Pensions Commission (the Commission) has published its interim report, '[Pensions 2050: Evidence and Future Priorities](#)', warning that Britain faces significant existing and emerging pensions challenges that will require further reform. The report sets out the evidence underpinning the Commission's review and identifies the principal adequacy, fairness and sustainability challenges facing the UK pensions system. While the Commission says the pensions system is in a stronger position than it was 20 years ago, largely due to automatic enrolment and the introduction of the new State Pension, it warns that many people are still not saving enough for retirement. Although the report does not make final policy recommendations, it outlines the key issues that will shape the Commission's final conclusions, due in spring 2027.

The Commission has also launched a further [evidence-gathering phase](#), inviting submissions from industry participants, employers, trade unions, academics, consumer groups and other stakeholders until 14 July 2026.

*MoneyHelper pensions dashboard expected to be available in financial year 2027/28*

The Pensions Dashboards Programme (PDP) has [revealed](#) that it expects the MoneyHelper pensions dashboard to be available to the public in the financial year 2027/28. The PDP will provide an update on launch plans around the time of the 31 October 2026 connection deadline, when significantly more user testing will have been undertaken.

The launch date for the MoneyHelper dashboard will be decided by the Secretary of State for Work and Pensions based on a range of criteria, and 6 months' notice will be given to industry. In 2026, alongside completing the connection of pension providers and schemes, the PDP is continuing to test how the MoneyHelper dashboard will be used by the public and industry.

The PDP also reveals that over 70 million pension records are now connected to the pensions dashboards ecosystem, representing around 85% of records in scope. This comes from nearly 1,500 pension providers and schemes who have completed

their connection, including the first four cohorts of medium-sized providers and schemes. This major milestone builds on the State Pension data already connected, bringing tens of millions of additional records.

The PDP says that connections will continue as the final connection deadline on 31 October 2026 approaches, and emphasises that it is essential that organisations keep going with their preparations for connection with less than six months until the deadline.

*UK Regulators: Regulatory Initiatives Grid*

The FCA has published the latest edition of the [Regulatory Initiatives Grid](#) which sets out details of new, current and updated initiatives relating to individual financial sectors as well as cross-cutting ones. The Grid can be downloaded as a PDF or interactive dashboard.

On a related note, in this [paper](#), the FCA has set out the range of its research themes and focus areas. The themes include growth, wholesale markets, helping consumers and regulation. Focus areas include changes in financial services markets and changes in the UK economy relating to capital allocation and consumers.

### **Action:**

[All for information and noting.](#)

## Next 12 months and beyond

### Spring / Summer 2026

- Data (Use and Access) Act 2025 Regulations 2026 bring the majority of the data protection reforms into force
- Finance (No. 2) Bill 2026 obtains Royal Assent and includes provisions on IHT on unused pension funds
- TPR issues new pensions scam Alert and Leaflet
- Deadline for completing first Own Risk Assessment (ORA): for most schemes, within 12 months of the last day of the first scheme year beginning after 28 March 2024
- Requirement for scheme administrator to be resident in UK in force
- Financial Services and Markets Act 2000 (Regulated Activities) (Providing Targeted Support) (Amendment) Order 2026 comes into force
- Regulatory regime for unconnected, multi-employer 'whole-life' CDC schemes effective
- Pension Schemes Bill Royal Assent and becomes Pension Schemes Act 2026. Measures in force from or shortly after Royal Assent:
  - PPF/FAS information permitted on dashboards
  - Retrospective validation of amendments following Virgin Media judgment
  - Pensions Ombudsman becomes a 'competent court'
  - PPF/FAS definition of 'terminally ill' extended
  - Consultation on DB superfund regulations
  - Consultation on surplus release flexibilities
  - PPF/FAS pre-97 indexation
- Royal Assent for National Insurance Contributions (Employer Pensions Contributions) Bill
- Start of consultations on regulations under PSA 2026
- Pensions Commission to publish Interim Report
- Technical guidance on pension inheritance tax changes
- TPR AI action plan
- Consequential amendments from the increase in NMPA from 55 to 57

- Local Government Pension Scheme Fit for the Future Regulations passed
- Government issues response to Retirement CDC Consultation

### Autumn / Winter 2026

- In scope schemes/providers must be connected to the dashboards ecosystem
- Budget 2026
- Data (Use and Access) Act 2025 fully in force
- Consultation on guided retirement regulations and equivalent FCA rules
- Announcement on Dashboards Availability Point ("DAP")
- DWP consultation on the £30,000 de-minimis for the DB transfer independent advice requirement
- GMP Conversion Regulations
- Transfer Values (TV) Conditions (Amendment) Regulations
- Notifiable Events (Amendment) Regulations (possibly abandoned but no formal announcement made)
- Relaunch of Pension Scams Industry Group (PSIG) and new Combatting Scams Code
- Retirement CDC consultation and draft regulations
- All registered pension schemes must complete migration to MPS by 31 December 2026
- Deadline for appointing a Senior LGPS Officer and an Independent Person

### 2027

- First whole of life CDC schemes for unconnected multi-employers
- Changes affecting pension scheme death benefits and inheritance tax
- Pensions Commission final report
- Guided retirement duty in force
- Unlocking pension scheme surplus measures in force

- Inflation protection for pre-1997 pensions in the PPF and FAS
- LGPS first periodic governance review to be arranged

## 2028

- Normal Minimum Pension Age increases to 57, affecting people born after 6 April 1971
- Permanent regime for DB superfunds
- First VfM assessments to be carried out
- SPA increased to 67

## 2029

- £2,000 cap on salary sacrifice contributions
- General Election

## 2030

- Small pension pots consolidation requirements in force
- Retail Prices Index (RPI) will be aligned with the Consumer Prices Index, including owner occupiers' housing costs (CPIH)
- DC Minimum Size and default arrangement consolidation
- Regulations implementing The Pensions (Extension of Automatic Enrolment) Act 2023
- FCA Gateway to open for authorisation of pension dashboard operators
- Third State Pension Age Review

### About Aptia

Founded to shape the future of pensions, health, and insurance solutions, Aptia is a leading professional services firm dedicated to simplifying complexity for businesses and individuals. It brings together cutting-edge technology and deep industry expertise to help organisations navigate an evolving landscape with clarity and confidence.

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