Trustee Agenda

SPRING | 2025



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Welcome to our Spring Edition of Trustee Agenda.

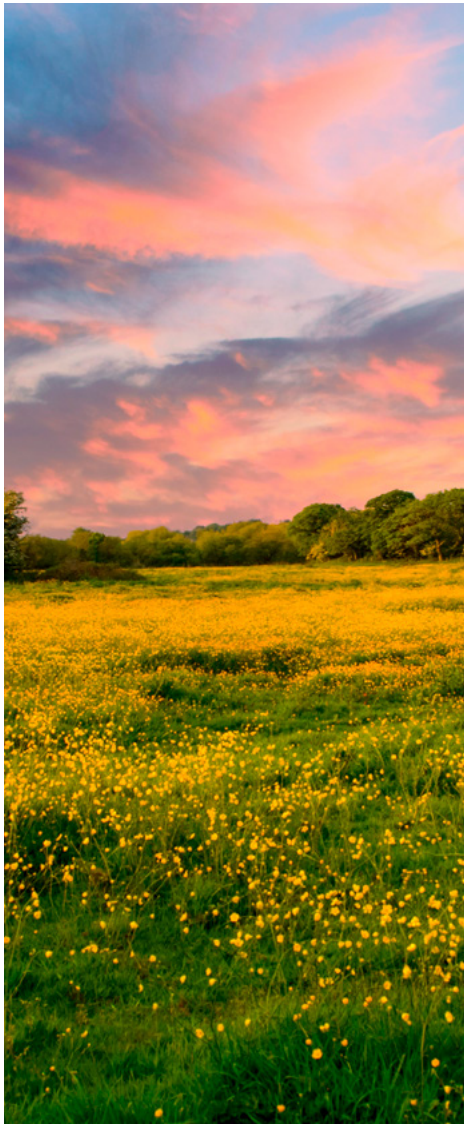
Following the coming into force last year of the new funding regime for defined benefit schemes, our first article delves into the detail of the employer covenant aspects of the new requirements. We focus in particular on how trustees should approach contingent assets (such as guarantees) in this context.

Our second article looks at pensions dashboards. We consider the current state of play and outline what trustees should be doing now in preparation for connection. With the largest schemes required to connect in less than two months, there is no time to delay.

As always, do please let us know if there are any areas which you would like us to explore in future editions of Trustee Agenda.



Claire Petheram



Employer covenant and contingent assets

In the last edition of Trustee Agenda, we summarised the new scheme funding regime, which applies to actuarial valuations with effective dates on or after 22 September 2024. An important aspect of the new regime is the employer covenant. Most schemes already take into account the strength of the employer covenant in their scheme funding discussions. However, the way in which the employer covenant should be assessed is now prescribed in legislation. In addition, the Pensions Regulator has recently published updated employer covenant guidance, which sits alongside its code of practice and contains practical guidance for trustees on how to assess and monitor the employer covenant.

In this article, we look at the legal framework for considering employer covenant, as well as commenting on the Regulator's code of practice and guidance. We focus in particular on the role of contingent assets in supporting the employer covenant assessment. We also highlight the steps trustees should be taking now and in the future.

The legal framework

Trustees are required by the legislation to determine (and from time to time review and revise) a strategy for ensuring that scheme benefits can be provided over the long term – this is known as the funding and investment strategy (the FIS).

The legislation sets out several principles that trustees must follow when determining or revising their FIS. One of the principles relates to the level of risk that can be taken by trustees in determining the actuarial assumptions used for the purposes of calculating the scheme's liabilities as it moves along its journey plan. This principle says that the level of risk that can be taken is dependent on the strength of the employer covenant. This means that more risk can be taken where the employer covenant is stronger, and less risk can be taken where the employer covenant is weaker. This is referred to by the Regulator as "supportable risk".

Although the definition of employer covenant discussed below is strictly only relevant when considering supportable risk, the Regulator has highlighted that employer covenant will also be relevant:

- when determining an appropriate recovery plan. This links to the requirement under the legislation that, when determining whether a recovery plan is appropriate, trustees follow the principle that funding deficits must be recovered as soon as the employer can reasonably afford. This is referred to by the Regulator as "reasonable affordability"; and
- when considering how to respond to other scheme-related events (e.g. scheme mergers or transfers to a superfund) or employer-related events (e.g. mergers and acquisitions, restructuring, or periods of corporate distress).

Trustees are likely to adopt the same definition of employer covenant when assessing the strength of the employer covenant in these scenarios.

How is employer covenant defined?

The strength of the employer covenant is defined in the legislation as:

- the financial ability of the employer, in relation to its legal obligations to the scheme, to support the scheme; and
- the expected level of support for the scheme from any contingent assets.

Which employers are relevant?

An important first step is to identify which employers should be considered for the purposes of the employer covenant assessment. The legislation clearly spells out the need to focus on employers which have a legal obligation to fund the scheme. These tend to fall into three buckets:

- *Statutory employers:* these are the employers to whom the scheme funding regime applies. Broadly, they are employers of current active members in the scheme or, if the scheme has no current active members, the entities that employed active members immediately before the scheme was closed to future accrual.
- *Non-statutory employers:* these are employers that do not meet the statutory definition, but which have a legal obligation to fund the scheme under the scheme rules. The Regulator expects trustees to assess the extent of the legal obligation of such employers to provide support to the scheme when it may be required. This will determine whether it is appropriate to take the covenant support provided by the non-statutory employer into account when assessing supportable risk or reasonable affordability (or both).
- *Other group entities or third parties:* these are not employers, but their covenant may be taken into account if they provide contractually-binding support directly to the scheme. We consider this further below in the section on contingent assets.

Generally, it is only entities that fall into one of these buckets that should be considered when assessing the employer covenant. However, the Regulator says that, where the employer's financial performance is heavily dependent on a third-party or group obligation (e.g. under a cost-sharing agreement), or the overall performance of the wider group, trustees should consider the implications of this when assessing an employer's cash flow and prospects.

In relation to multi-employer schemes, the Regulator recognises that it may not be necessary to carry out a full covenant assessment for each employer. Trustees should consider which employers to assess in detail and the weight to be given to each, taking into account factors such as each employer's share of the scheme's liabilities; whether the scheme is associated or non-associated; and whether the scheme has segregation provisions or "last man standing" arrangements.

Where trustees decide it is not proportionate to review all employers in a multi-employer scheme, the Regulator says they should consider if alternative approaches are appropriate (e.g. pooling employers into sub-groups with varying levels of review for each or focusing on the employer(s) with the largest share of scheme liabilities). Trustees should also consider how to reach an overall view on the covenant provided by the employers as a whole.

Financial ability of the employer to support the scheme

As noted above, the first limb of the definition of employer covenant looks at the financial ability of the employer (or employers) to support the scheme. The matters to be considered in assessing this are specified in the legislation as:

- the cash flow (and expected future cash flow) of the employer;
- other matters which are likely to affect the employer's future ability to support the scheme (including the performance, future development and resilience of the employer's business, and the likelihood of an insolvency event occurring in relation to the employer). This is referred to by the Regulator as the employer's prospects;
- for how long the trustees can be reasonably certain that they can rely on an assessment of the employer's cash flow and prospects (referred to by the Regulator as the "reliability period"); and
- for how long the trustees can be reasonably certain that the employer will be able to continue to support the scheme (referred to by the Regulator as "covenant longevity").

The Regulator's code of practice and guidance include extensive detail on how trustees should assess each of these elements. However, the Regulator recognises that covenant assessments should be proportionate to the circumstances of the scheme and employer, taking into account factors such as the size of the scheme, its funding level, the level of funding and investment risk in the scheme's journey plan, and the scheme's maturity. For example, a light touch covenant assessment may be more proportionate where the employer is very large relative to the size of the scheme, the scheme is already well funded on a low dependency funding basis, or the scheme's journey plan relies on only a small amount of risk being taken.

Many trustees will decide to obtain a professional covenant assessment, but again the Regulator recognises that this may not be necessary for all schemes, depending on factors such as the trustees' expertise and experience, the degree to which the scheme is reliant on the covenant, and the complexity of the covenant.

However they decide to proceed, trustees should ensure they can justify their approach and document their decisions (e.g. in meeting minutes).

Contingent assets

The Regulator considers that trustees should focus on the ability of the employer to make cash contributions to the scheme to eliminate any funding deficit and address downside investment risk. However, contingent assets can also be valuable and the legislation expressly provides for them to be considered under the second limb of the employer covenant definition. The legislation specifies that contingent assets can be taken into account to the extent that the trustees can reasonably expect them to be:

> legally enforceable; and

> sufficient to provide the specified level of support when required.

Legal enforceability will depend on the terms and conditions of the agreements documenting the relevant contingent asset and the applicable law. The Regulator says that trustees should be satisfied they have sufficient legal advice in relation to this aspect.

To understand whether a contingent asset will provide a particular level of support when required, the Regulator expects trustees to identify:

> the scenario in which the contingent asset is likely (or able) to be called upon (e.g. in the event of employer insolvency); and

> an appropriate method to assess the expected realisable value of the contingent asset. The Regulator says that this will primarily be driven by the type of contingent asset.

The Regulator's code of practice and guidance consider in detail how trustees should value the most common types of contingent assets. These are security (such as security over an asset, cash in escrow or a letter of credit), guarantees, and contingent funding mechanisms (where a third party commits to make a payment into the scheme under certain pre-defined triggers).

Where alternative forms of contingent support are provided, the Regulator expects trustees to understand the advantages and disadvantages of these arrangements, and to be able to evidence that they meet the criteria outlined above. The Regulator also says that some arrangements are not expected to be able to support additional funding risk. These include:

> negative pledges (because although they may protect the covenant, they do not directly enhance it);

> performance-linked contribution mechanisms e.g. profit-sharing agreements and dividend matching policies (because they do not provide downside support for a scheme);

> steps taken to improve the trustees' insolvency position e.g. creditor subordination or intercreditor agreements (because they do not protect against asset erosion in the run-up to insolvency); and

> asset-backed contributions (because they already enable a scheme to increase its asset position and therefore reduce or eliminate the scheme's technical provisions deficit).

The Regulator says that contingent assets can be used to support additional risk-taking in the scheme's journey plan or a longer recovery plan (or potentially both), but emphasises that trustees should not double count the value attributed to the asset. The Regulator also notes that contingent assets put in place in a different context (e.g. as a result of an employer transaction) will not automatically be suitable to support the scheme for funding purposes.

Guarantees

The Regulator's approach to considering the value of guarantees is particularly interesting because it categorises guarantees into three different types, with a different way of approaching value in each case (*please refer to the table on the right*).

It is worth highlighting at this point that the Regulator's guidance and expectations do not create new legal obligations and a failure to comply with them will not give rise to a breach of the law. Trustees could therefore take a different approach to assessing the expected level of support for the scheme from a guarantee (or any other contingent asset). However, if trustees deviate from the Regulator's approach, they can expect more detailed scrutiny and engagement from the Regulator when they submit their statement of strategy. Many trustees will, therefore, choose to adopt the Regulator's approach to assessing contingent assets.

Type of guarantee	Value
Look through guarantee	Trustees should assess the guarantor's financial ability to support the scheme as if it was a statutory employer. This means trustees can factor in the guarantor's covenant when setting the scheme's journey plan and recovery plan.
Non-look thorough guarantee	Trustees can still factor the guarantee's value into their assessment of supportable risk, provided they can evidence that the guarantee is legally enforceable and can ascribe a value with reasonable certainty to the level of support it can provide when required. The Regulator's guidance sets out the factors trustees should take into account when ascribing a value to a non-look through guarantee.
Look through guarantee without an insolvency underpin	It is likely to only be reasonable for the guarantor's cash flows to be assessed and considered for the purpose of setting the recovery plan and not for the purpose of setting the journey plan.

What is a look through guarantee?

The concept of a look through guarantee will be a new one to most trustees. To meet the requirements of a look through guarantee, the Regulator says that trustees must be comfortable that the legal agreement provides for the following:

- An underpin for the full Section 75 deficit.
- Missed deficit recovery contributions under the terms of the schedule of contributions.
- A legal mechanism enabling trustees to look through to the guarantor's cashflows when setting contributions.
- No time limitations (referred to as an evergreen guarantee).
- No onerous conditions attached that could compromise the trustees' or the Regulator's powers.
- Legally enforceability both in the UK and any relevant overseas jurisdictions. This should be supported by appropriate legal advice.
- An information sharing protocol, which ensures trustees can monitor the strength of the guarantor.

Existing guarantees that meet all these requirements are likely to be rare. In particular, we do not often see guarantees that include a legal mechanism enabling trustees to look through to the guarantor's cashflows when setting contributions. For example, a guarantee that meets the Pension Protection Fund's requirements to be taken into account for PPF levy purposes will not usually include such a mechanism. There may also be questions around whether any conditions included in the guarantee would be considered "onerous". If trustees are uncertain whether an existing guarantee meets the look through criteria, or that it has been documented appropriately, the Regulator says they should seek legal advice.

The Regulator also suggests that enhancements can be made to a guarantee so that it meets the look through criteria by entering into a legally binding separate agreement or side letter. Existing guarantors may, for example, be happy to include a legal mechanism enabling trustees to look through to the guarantor's cashflows when setting contributions, on the basis that it does not add materially to their existing obligations where the guarantee meets all the other criteria outlined above.

Finally, the Regulator says that, if trustees are taking significant additional risk based on the guarantor, or there are concerns about the prospects of the guarantor and its ability to meet any future requirements of the scheme, trustees should consider including appropriate trigger-based provisions e.g. a requirement for the guarantor to provide cash or security if pre-agreed thresholds are breached.

What should trustees do now?

At a minimum, the Regulator expects trustees to assess covenant support at each actuarial valuation. As part of their first valuation under the new regime, trustees will need to decide the appropriate breadth and depth of their covenant assessment, as well as the need for professional advice. As noted above, this will depend on factors such as the size of the scheme, its funding level, the level of risk being taken, and the scheme's maturity. Trustees should ensure their approach is justifiable and documented appropriately.

Once the valuation is complete, trustees will need to submit their statement of strategy to the Regulator. This must include an assessment of the strength of the employer covenant, how long it is reasonable to rely on this assessment, and an explanation of the evidence on which these conclusions are based. The statement of strategy has to be submitted in a standard form and follow a set template provided by the Regulator. Trustees may wish to familiarise themselves upfront with the scope of the information they will need to include in their statement of strategy.

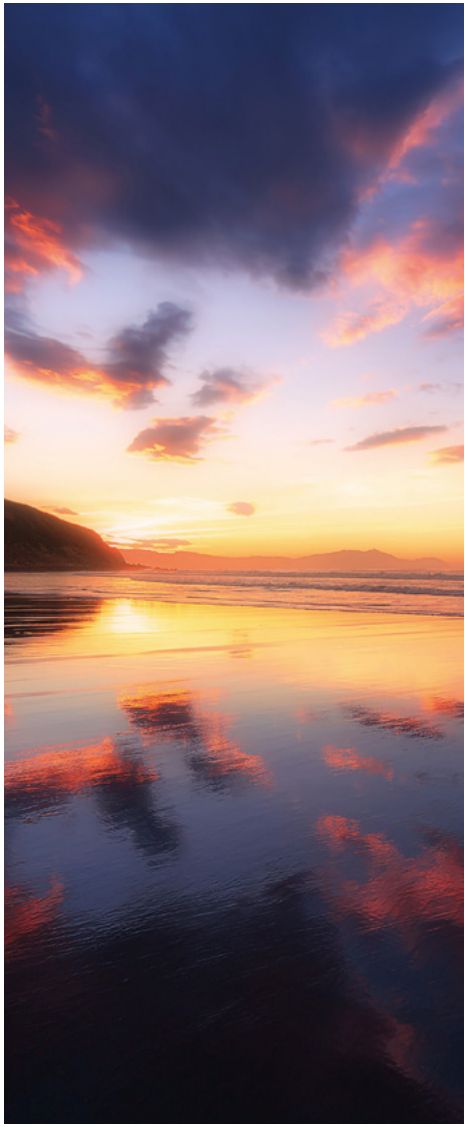
The Regulator also expects trustees to monitor the covenant on an ongoing basis and the guidance includes details on how trustees should do this. This is expected even where schemes are fully funded on a low dependency funding basis, which is likely to be the case for many schemes. This is because such schemes remain exposed to covenant risk if funding levels deteriorate or if there were to be an unexpected employer insolvency event. However, the Regulator expects any assessment to be light touch, focussing on covenant longevity and any material risks that could lead to the scheme not providing the promised benefits to members.

If trustees already have contingent assets in place (or are considering putting new contingent assets in place), they should consider how these will be assessed in an employer covenant context. In particular, trustees may wish to consider amending existing guarantees so they meet the criteria for a look through guarantee. However, whether this is desirable or possible will depend on the specific circumstances of the scheme, the employer and the guarantor.

The guidance emphasises the need for trustees to work openly and collaboratively with the employer (and, where relevant, third parties that have provided contingent assets). It can be helpful to put in place an information sharing protocol which clearly sets out the employer's obligations to provide information to the trustees.



Claire Collier



Update on pensions dashboards

Pensions dashboards – the online platforms which will allow people to see information about all of their pensions in one place – are close to becoming a reality. From this April, the first wave of schemes will be required to connect to the pensions dashboards infrastructure established by the Money and Pensions Service (MaPS). Although dashboards will not be accessible to the public at this point, schemes will nonetheless need to be ready to receive find requests relating to individuals and search their records for a match, provide members with information about their pensions through the dashboard, and report certain information to the Pensions Regulator and MaPS.

This article looks at the latest developments in relation to dashboards and considers what trustees should be doing now in preparation for connection.

When do you need to connect to pensions dashboards?

Following a "reset" of the pensions dashboards programme in 2023, the staged timetable for connection now runs from 30 April 2025, with "connect by" dates set according to the size and type of scheme. The size of the scheme is based on the number of relevant members per scheme (active members, deferred members and pension credit members) at the scheme year end date in the period between 1 April 2023 and 31 March 2024. This means that the deadlines are fixed, even if the scheme has subsequently changed size (unless it now falls out of scope entirely).

The table below summarises the staging timetable for schemes with 1,000 or more relevant members. Schemes with between 100 and 999 relevant members have connection dates between 31 January 2026 and 30 September 2026.

Although the timetable is set out in guidance and is not therefore mandatory, trustees must have regard to the guidance, and the Government is encouraging trustees to follow the timetable unless there are exceptional circumstances which prevent them from doing so. The aim is to reduce risks to dashboard delivery and manage capacity in the industry. All schemes in scope must be connected by 31 October 2026 at the latest.

Number of relevant members	Connect by
Master trusts providing defined contribution (DC) benefits only	
20,000 or more	30 April 2025
5,000 to 19,999	31 May 2025
1,000 to 4,999	30 June 2025
DC schemes used for auto-enrolment	
5,000 or more	31 May 2025
1,000 to 4,999	30 June 2025
Defined benefit schemes, all other DC schemes and hybrid schemes (including hybrid master trusts)	
20,000 or more	31 May 2025
5,000 to 19,999	30 June 2025
2,500 to 4,999	31 August 2025
1,500 to 2,499	30 September 2025
1,000 to 1,499	30 November 2025

What are your obligations once connected?

Once schemes are connected to the dashboards infrastructure, trustees are subject to several requirements. We discussed these in detail in our Spring 2023 edition of Trustee Agenda, but in summary, trustees will be required to:

- ensure their scheme remains connected and co-operate with MaPS;
- be ready to receive "find requests" relating to individuals and search their records for a match;
- provide members with information about their pensions through the dashboard following a "view request"; and
- report certain information to the Regulator and MaPS.

What guidance is available to help trustees meet their duties?

The Regulator has updated its guidance for trustees on dashboards. This includes an online tool for schemes to confirm their "connect by" date, as well as a useful checklist for schemes preparing to connect.

The Pensions Dashboards Programme (PDP – the part of MaPS responsible for pensions dashboards) has published updated versions of its standards, specifications and technical requirements for connecting to pensions dashboards. These standards will need to be formally approved by the Secretary of State before they come into force, but the PDP recommends schemes align with the current versions while preparing for connection. The main standards to be aware of are:

- *Data standards:* these set out in detail how schemes will receive data from the dashboards architecture and return appropriate data to dashboards.
- *Reporting standards:* these set out the information schemes will need to ensure is generated, recorded and supplied to MaPS.
- *Technical standards:* these set out how schemes (or their providers) will interface with the dashboards infrastructure and user-facing pensions dashboards.
- *Code of connection:* this sets out the connection, technical, security, service and operational standards trustees will need to meet to connect to the digital architecture.

The Government has also published some limited guidance for trustees. As well as the guidance on the connection timetable, there is guidance on calculating annualised accrued values for DC scheme members. This is one of the items of information schemes will need to provide to the pensions dashboard following a "view request" made by a member.

How will compliance be enforced?

The Regulator may issue compliance notices, third party compliance notices and penalty notices in cases of non-compliance. The maximum penalties for each instance of non-compliance are £5,000 in the case of individuals and £50,000 in other cases. Given that schemes could potentially receive a large number of find requests, there is obvious scope for multiple instances of non-compliance.

Trustees should be aware that they are prohibited from reimbursing themselves out of scheme assets in respect of penalties imposed under the pensions dashboards regulations. This is consistent with the position in relation to other fines and penalties that may be imposed on trustees.

The Regulator has published a dashboards compliance and enforcement policy, which sets out the Regulator's expectations for trustees and explains the Regulator's approach to non-compliance. The appendix to the policy also includes several scenarios to illustrate how the Regulator's approach is intended to work in practice.

Who will operate dashboards?

MaPS will develop and host its own pensions dashboard on the MoneyHelper website. This will be the first dashboard available to the public, although a launch date for public use has not yet been confirmed.

In due course, other organisations will also be able to develop and host their own dashboards. Operating a pensions dashboard is, however, a "regulated activity" for the purposes of the Financial Services and Markets Act 2000 (FSMA). This means that any entity that wants to operate a pensions dashboard either needs to be authorised under FSMA to carry out the activity or be exempt. Although the FCA has published rules and guidance for firms wishing to operate a pensions dashboard, it is not yet open to receiving applications for authorisation.

What should trustees do now?

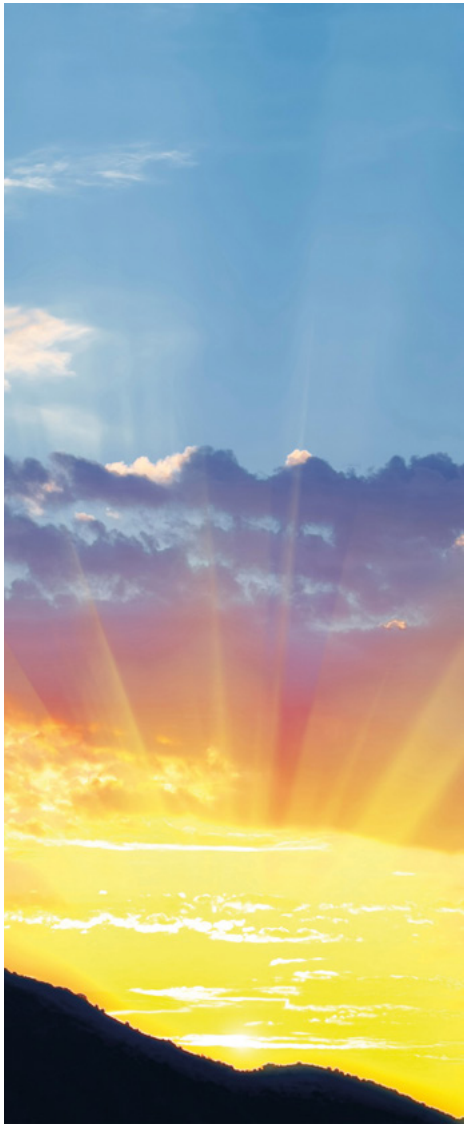
Most trustees will already be well on their way to being "dashboard ready". However, for those whose preparations are less well advanced, the following is a checklist of actions you should be taking as soon as possible:

- Have pensions dashboards as a regular item on board agendas and ensure key decisions are recorded in meeting minutes.
- Confirm your scheme's "connect by" date and check you are on track to meet it.
- Ensure you know how your scheme will connect to pensions dashboards (i.e. whether you are developing a solution in-house, using your administrator or using an integrated service provider). Trustees may need to appoint new suppliers or amend contracts with existing suppliers.
- Ensure your scheme is registered with MaPS (or check your provider is doing this on your behalf).
- Discuss dashboards with your administrator, software providers, actuary and any other relevant parties (e.g. the employer or AVC providers, where relevant). Trustees should ensure these third parties are on track to deliver in the areas where support is needed and seek confirmation that they are complying with any relevant standards (such as those published by MaPS). Trustees should continue to monitor progress on a regular basis.

- Ensure you understand what information you will receive from dashboards when you receive "find requests" and decide how you will determine if there is a match in your records. Trustees should keep a record of the matching criteria they plan to use. The Pensions Administration Standards Association has published guidance on data matching which trustees may find useful.
- Ensure you understand what information you will need to provide following a "view request" and the deadlines that apply.
- Assess the completeness, accuracy and digital accessibility of the scheme's data and put in place plans to improve (and digitise) it if required.
- Ensure you understand what information you will need to report to the Regulator and MaPS and put in place plans to generate, record and report it when required.
- Ensure you understand your obligations under data protection law and have processes in place for protecting scheme data. Trustees may need to update their data protection impact assessment.
- Ensure you are familiar with the Regulator's expectations and guidance in relation to dashboards.
- Consider whether dashboards are likely to generate a higher than usual level of queries from members once they are launched to the public and, if so, the likely areas of concern. Trustees should work with their administrators and other relevant third parties to anticipate and prepare for these. In some cases, it may be appropriate to communicate with members before dashboards become available.
- Stay up to date with developments relating to pensions dashboards on a regular basis.



Claire Collier



On the horizon

Subject	Changes	Next key date
Pension Schemes Bill	The King's Speech confirmed that there will be a Pension Schemes Bill, which will include measures relating to: > defined contribution (DC) small pots; > DC value for money; > DC decumulation; > defined benefit (DB) superfunds; > reaffirming the Pensions Ombudsman as a competent court; and > amending the definition of "terminal illness" for the purposes of the Pension Protection Fund and the Financial Assistance Scheme.	The Bill is expected to be published this year.
Finance Bill	The Finance Bill will: > remove the exclusion from the overseas transfer charge of transfers to Qualifying Recognised Overseas Pension Schemes established in the European Economic Area or Gibraltar from 30 October 2024; > change the regulatory requirements for Overseas Pension Schemes and Recognised Overseas Pension Schemes from 6 April 2025; and > introduce a requirement that all registered pension schemes must have an administrator that is UK resident from 6 April 2026.	The Bill is due to have its report stage and third reading on a date to be announced.

Subject	Changes	Next key date
Auto-enrolment	The Pensions (Extension of Automatic Enrolment) Act 2023 amends the Pensions Act 2008 to enable the Secretary of State to make regulations to: > reduce the lower age limit at which otherwise eligible workers must be automatically enrolled and re-enrolled into a pension scheme by their employers. The policy intent was to use this power to make regulations to reduce the lower age limit from 22 to 18; and > remove the lower earnings limit from the qualifying earnings band so that contributions are calculated from the first pound earned.	It is currently unclear whether this will be taken forward by the Government. It may be considered as part of the second phase of the pensions review (see below).
Collective defined contribution (CDC) schemes	The Government has consulted on draft regulations which will extend CDC provision beyond single or connected employer schemes to accommodate unconnected multi-employer schemes.	The consultation closed on 19 November 2024 and the Government plans to lay the regulations in 2025. Subject to Parliamentary approval, the Government intends to bring the regulations and an updated code of practice into force as soon as practicable after that. The Government is also continuing to explore with the pensions industry and regulators what would be needed to provide trust-based decumulation-only CDC options.

Subject	Changes	Next key date
Notifiable events and corporate transaction notifications	The previous government consulted on draft regulations relating to notifiable events and corporate transaction notifications.	The consultation closed on 27 October 2021 and a response is awaited. It is unclear whether this will be taken forward by the Government.
Transfer conditions	The previous government published a review of the Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021. The review recognised that the incentives red flag and the overseas investments amber flag are causing delays and issues for members and trustees. The previous government was therefore conducting further work with the pensions industry and the Pensions Regulator to consider if changes could be made to the regulations to improve the pension transfer experience, without undermining the policy intent.	It is unclear whether this will be taken forward by the Government.
Options for DB schemes	The previous government published a consultation on options for DB schemes. This consultation included proposals aimed at making it easier for trustees to make payments from surplus to sponsoring employers and scheme members. It also explored the design of, and eligibility for entry into, a public sector consolidator.	The consultation closed on 19 April 2024. A response to the consultation is expected this Spring.

Subject	Changes	Next key date
Pension fund clearing exemption	HM Treasury has published a response to its call for evidence on the pension fund clearing exemption, which is currently due to expire on 18 June 2025. The response confirms the Government's decision to maintain the exemption for the longer-term.	The Government will now take forward legislation to ensure that the exemption does not expire on 18 June 2025 as currently scheduled and to remove any further time limit on the exemption.
Pensions review	The Government has published an interim report on the first phase of the pensions review, which focussed on DC and Local Government Pension Scheme investment.	The Government says that a final report will be published in the Spring, ahead of the introduction of the Pension Schemes Bill later this year. The scope of phase two of the review is expected to be published in due course. This is expected to consider further steps to improve pension outcomes, including assessing retirement adequacy.
Inheritance tax on pensions	The Autumn Budget 2024 included the announcement that most unused pension funds and death benefits payable from a pension will be brought into a person's estate for inheritance tax purposes from 6 April 2027. The Government has consulted on the processes required to implement these changes.	The consultation closed on 22 January 2025 and the Government has said it will carry out a further technical consultation on draft legislation in 2025.
DC consolidation	The Government has published a consultation setting out proposals for fundamental changes to the DC pension scheme market. Most significantly, the Government is planning to legislate for a maximum number and minimum size of DC default funds.	The consultation closed on 16 January 2025. Following the outcome of the consultation, the Government will decide whether to include the proposed measures in the Pension Schemes Bill. However, the Government says that the new requirements would not apply before 2030 at the earliest.

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