

TRUSTEE KNOWLEDGE UPDATE

February – April 2026

LEGISLATION	3
The Guaranteed Minimum Pensions Increase Order 2026.....	3
Revaluation of Earnings Factors Order.....	3
The Finance Act 2026.....	3
The Bereaved Partner’s Paternity Leave Regulations 2026.....	3
The Pension Schemes Act 2026	4
The National Insurance Contributions (Employer Pensions Contributions) Act 2026	5
GOVERNMENT AND PARLIAMENT	5
Guidance: Scale and Consolidation.....	5
HMRC	5
Newsletter 177	5
Newsletter 178	6
Newsletter 179	6
Newsletter 180	6
THE PENSIONS REGULATOR	7
Statement New scale requirements for DC master trusts: Transition pathway and credible growth plans	7
Industry alert update: impersonation fraud.....	7
Guidance Potential remediation for past alterations to salary-related contracted-out pension schemes.....	7
Blog DC scheme consolidation: why trustees must take action now	8
Guidance Transferring to a master trust: considerations for smaller defined contribution schemes.....	8
Guidance Winding up or transferring a defined contribution scheme	8

Blog Pensions dashboards: are schemes ready for the next step?8	
Report Market oversight: Pensions dashboards.....	9
Guidance Pensions dashboards.....	9
Fighting pension fraud.....	9
Code of Practice: Authorisation and Supervision of Collective Defined Contribution (CDC) Schemes 2026.....	9
THE PENSION PROTECTION FUND	10
Final levy rules for 2026/27 levy year.....	10
THE PENSIONS OMBUDSMAN	10
CAS-82907 Mrs T (NHS Pension Scheme) - <i>where decision-maker has a discretion, it must consider exercising it</i>	10
MISCELLANEOUS	11
Guidance on how to deal with data protection complaints	11

LEGISLATION

[The Guaranteed Minimum Pensions Increase Order 2026](#)

(16 February 2026)

The final Order confirms that GMPs will increase by 3% with effect from 6 April 2026.

[Revaluation of Earnings Factors Order](#)

(5 March 2026)

This Order sets out the earnings factors relevant for the calculation of GMPs. The figure for 2025-26 is 4.8%.

[The Finance Act 2026](#)

(18 March 2026)

The Finance Act 2026 received Royal Assent on 18 March. This Act introduces significant provisions that will bring most unused pension funds and death benefits within the scope of inheritance tax with effect from 6 April 2027.

Exemptions will apply for death-in-service benefits where the member is in employment immediately before their death, dependants' scheme pensions, death benefits passing to a surviving spouse or civil partner, trivial commutation lump sum death benefits, and charity lump sum death benefits, all of which will be out of scope of IHT.

Personal representatives (PRs) will be primarily liable for reporting and paying any IHT arising. There will be various options for paying the IHT, including payment directly from the deceased's estate, payment from the scheme itself and payment by the beneficiaries. PRs will need to work together with scheme trustees and administrators, as well as beneficiaries, to ensure a satisfactory outcome.

Draft information sharing [regulations](#) have since been issued alongside a [technical note](#) from HMRC. The Act also includes

provisions relating to unconnected, multi-employer collective defined contribution (CDC) schemes and amendments to the abolition of the lifetime allowance charge.

Comment:

As the changes to inheritance tax will require updates to administration processes, scheme trustees should start considering how to prepare ahead of the changes coming into force next year.

[The Bereaved Partner's Paternity Leave Regulations 2026](#)

(10 March 2026)

While not part of the changes under the Employment Rights Act 2025, these regulations also took effect on 6 April 2026 as part of wider reforms to family leave rights.

The regulations introduce a new, day one right for employees to take up to 52 weeks of unpaid leave in situations where their child's primary carer dies within a year of birth or adoption. The leave must be taken within the first year of a child's birth or adoption. The circumstances giving rise to such leave are fortunately very rare and the regulations introduce valuable leave for bereaved parents. They will operate alongside existing statutory bereavement leave rights.

Schemes and employers should consider whether rule amendments are required and make sure family leave policies and procedures reflect these updates.

Note that the Government has separately [consulted](#) on whether, in the longer term, bereavement leave could be widened out so that it will no longer apply solely to those in parental roles.

[The Pension Schemes Act 2026](#)

(29 April 2026)

The Pension Schemes Act 2026 has received Royal Assent. The Act is important for trustees, providers and employers: it launches a wide-ranging suite of reforms which have the potential to reshape the pensions industry over the next few years.

Changes affecting DB schemes

- **‘Section 37’ remediation:** Where an amendment to a formerly contracted-out DB scheme fell foul of historic restrictions requiring actuarial confirmation, it may be validated retrospectively if trustees obtain actuarial confirmation that the change would not have prevented the scheme from continuing to meet the appropriate statutory standard. This mechanism comes into force immediately, with the FRC and TPR having already released helpful guidance (for [actuaries](#) and [trustees](#) respectively) to support roll-out of the solution. For further information, see our CMS Legal Update [here](#).
- **Surplus:** As set out in [this](#) CMS Legal Update, trustees will be able to modify their scheme rules to permit surplus to be paid to an employer - or to remove or relax restrictions in an existing power - while the scheme is ongoing. We expect consultation on draft TPR guidance, and on regulations to outline the funding threshold and additional payment conditions, before the new rules take effect late in 2027.
- **Superfunds:** The Act lays out a legislative structure for the design, authorisation and supervision of superfunds - commercially-run schemes supported by a capital buffer which act as consolidators for DB schemes. Consultation on regulations is anticipated later this year, with a view to finalising the regime by 2028.
- **PPF compensation:** From January 2027, the Pension Protection Fund (and Financial Assistance Scheme) will increase compensation relating to pre-April 1997 pensions in payment

based on CPI, capped at 2.5% - where the original scheme granted increases at that level or higher.

- **PPF levies:** This year the PPF confirmed a zero risk-based levy for conventional schemes. The Act gives it additional flexibility to minimise any levy that might be due in future years.
- **Local Government Pension Scheme:** The Act introduces new requirements for the LGPS to reform asset pooling, on developing local and regional investment policies and strengthening governance.

New law for DC schemes

- **Value for money (VFM):** The Act creates a framework for VFM in trust-based DC schemes, designed to dovetail with the FCA’s approach for contract-based schemes (see our CMS Legal Update [here](#)). Schemes will assess VFM against a market comparator group and those not achieving the necessary rating must take action to remedy this. Consultation on regulations will follow with the first VFM assessments targeted for 2028, initially for default funds.
- **Decumulation duty:** Trustees of schemes offering DC benefits will need to offer decumulation options to members on retirement and to enrol any member not making an active choice into the scheme’s ‘default pension benefit solution’, or to transfer them to a suitable alternative arrangement. The duty will apply to master trusts from 2027 and other schemes from 2028.
- **DC scale:** Most DC master trusts used for automatic enrolment must have at least one default arrangement with over £25bn in assets under management (AUM) by 2030. There will be a ‘transition pathway’ for smaller schemes (of at least £10bn AUM in 2030).
- **‘Mandation’ power:** This is the controversial reserve power, linked to the Mansion House accord, to enable the government to

set targets for master trust default funds to invest in specified private assets. Parliament reached a compromise: restricting the power to no more than 10% of default fund assets (no more than 5% UK-focused); requiring the FCA and TPR to report on market conditions restricting investment in qualifying assets before the reserve power can be exercised; and making it easier for schemes to apply for an exemption on the basis of members' best interests. The power cannot be exercised before 2028, will 'sunset' in 2032 and be fully repealed in 2035.

- **Small pot consolidation:** The Act introduces automatic consolidation of certain dormant DC pots valued at £1,000 or less. Consultation on the detail is expected in 2027/28 with a view to automatic consolidation starting in 2030.

A further welcome reform relates to the recoupment of overpayments. A new provision designates the Pensions Ombudsman as a "*competent court*" under section 91, Pensions Act 1995. This will let schemes set off a disputed overpayment from future pension after an Ombudsman determination in the trustees' favour, without the need for a further order from the County Court.

While we now have primary legislation, we still await much of the detail of how key reforms will operate in practice. We expect several consultations over the coming months and years on underlying regulations. DWP has also promised to issue a revised version of its [roadmap](#) setting out the chronology of the key provisions.

[The National Insurance Contributions \(Employer Pensions Contributions\) Act 2026](#)

(29 April 2026)

The National Insurance Contributions (Employer Pensions Contributions) Act 2026 has received Royal Assent. This Act introduces the legislative framework for making National Insurance contributions payable where employer pension contributions made in respect of an individual via salary sacrifice exceed £2,000 per year.

Forthcoming regulations will provide further detail. The changes will come into effect from 6 April 2029.

GOVERNMENT AND PARLIAMENT

[Guidance: Scale and Consolidation](#)

(9 March 2026)

The Government has issued guidance setting out a direction of travel in relation to the DC scale and consolidation requirements set out in the Pension Schemes Act 2026, under which DC multi-employer schemes must operate a main scale default arrangement (MSDA) holding at least £25bn in assets from 2030 in order to qualify to receive automatic enrolment contributions.

The guidance summarises the Government's thinking on its proposed additional 'pathways' to scale: the "transition pathway" (open for five years and which allows smaller schemes more time to reach the full scale requirement) and the "new entrant pathway" (which allows new schemes to enter the market and grow to scale while offering innovative propositions).

TPR has issued its own accompanying [statement](#) on the transition pathway and the need for credible growth plans.

Formal Government consultation on these issues is still to follow.

HMRC

[Newsletter 177](#)

(30 January 2026)

This newsletter covers: non-UK resident pension scheme administrators; IHT for pensions; relief at source; and pension flexibility statistics.

With effect from 6 April 2026, all scheme administrators of registered pension schemes will be required to be UK resident. If on 6 April 2026,

a scheme only has a non-UK resident scheme administrator appointed on the managing pension schemes service or the pension schemes online service, they will no longer be a pension scheme administrator, but they will retain the liabilities and obligations as if they were still the administrator until such time as a replacement UK resident administrator is appointed. HMRC may also consider withdrawing the scheme's registration.

The newsletter also mentions that, as part of the reforms to IHT, HMRC is looking for administrators and scheme practitioners to take part in user research around the design of a new digital service that allows administrators and practitioners to report the details of an IHT payment notice. Information regarding how to sign-up to the initiative is included.

[Newsletter 178](#)

(27 February 2026)

This newsletter includes an update on the forthcoming increase in normal minimum pension age from April 2028. HMRC says that:

- work is ongoing on transitional regulations to ensure that individuals who are entitled to and have already begun receiving pension benefits can continue to do so without interruption;
- if protected pension age (PPA) details attached to previous transfers were not shared with receiving schemes, consideration should be given to sharing that information retrospectively to support schemes having accurate PPA information ahead of April 2028.

HMRC also confirm that further information on Inheritance Tax on pensions will be shared in due course to support administrators.

In addition the newsletter contains admin updates on reporting QROPS transfers, digitisation of Relief at Source (DigiRAS) and the member protections and enhancements look-up service.

[Newsletter 179](#)

(26 March 2026)

This newsletter provides brief information on:

- the UK-Luxembourg Double Taxation Agreement;
- UK resident pension scheme administrators;
- the lifetime allowance protection and enhancements; and
- digitalisation of relief at source.

[Newsletter 180](#)

(23 April 2026)

This newsletter provides information on: pension scheme returns; the “look up service” for lifetime allowance protection and enhancements; digitisation of relief at source; relief at source returns; migrating schemes to the managing pension schemes service; pension flexibility statistics; and registration statistics.

The newsletter also notes the work ongoing to develop transitional regulations that will support the increase to the normal minimum pension age from 55 to 57 on 6 April 2028. Changes to the normal minimum pension age can affect the continuation of certain pension benefits. 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 payments from the scheme as an authorised payment until they reach age 57. The aim of the transitional regulations is to ensure that members who have already reached age 55 on or before 6 April 2028 (and become entitled to their pension benefits) can continue to access them. The newsletter notes that the legislation 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 HMRC guidance.

THE PENSIONS REGULATOR

Statement [New scale requirements for DC master trusts: Transition pathway and credible growth plans](#) (9 March 2026)

TPR explains the background to the Pension Schemes Bill (now Act) provisions on main scale default arrangements (MSDA) which require a minimum of £25 billion in assets under management by 2030, with a transition pathway allowing a master trust to scale from at least £10 billion in 2030 to at least £25 billion in 2035.

TPR has noticed that the market is already being affected by the proposals. For example, employee benefit consultants are excluding smaller master trusts out of concern they may not qualify for the scale requirements in time, which in turn makes them less likely to meet the scale requirements.

TPR sets out what it expects from growth forecasts for smaller master trusts, including assumptions on organic growth (through existing operations), demographic and economic factors (such as wage inflation and population growth), investment returns, and inorganic growth (for example through transactions).

[Industry alert update: impersonation fraud](#) (11 March 2026)

TPR's alert sets out research from its work with Report Fraud and explains how fraudsters start by hacking member email accounts, gaining enough information to pass security checks and withdraw funds. TPR gives further tips to reduce the risk of fraud and [encourages](#) pensions professionals to report any suspicions to [Report Fraud](#).

Guidance [Potential remediation for past alterations to salary-related contracted-out pension schemes](#) (26 March 2026)

This guidance on the Virgin Media case and the remediation provisions in the Pension Schemes Act 2026 sets out TPR's expectation that trustees should:

- ensure they understand the Virgin Media judgment and the remedy provisions;
- consider taking legal advice, and obtaining information from the scheme actuary and administrator;
- agree a practical and realistic timescale for the work, according to the circumstances of the scheme, and retain relevant records until it is undertaken;
- consider the extent to which any findings on validity may affect the scheme funding position.

The guidance also contains a number of practical tips for trustees, including the need to consider whether to use the remediation exercise as an opportunity to assess the quality of scheme data more generally.

TPR confirms it has no statutory role in relation to remediation and that there is no need to report remediation actions to it.

Comment:

Trustees of affected schemes should read this high level guidance, alongside the finalised [FRC guidance](#) for actuaries on the remediation process, to ensure that they have met TPR's expectations.

Blog [DC scheme consolidation: why trustees must take action now](#)

(31 March 2026)

TPR has published a blog in relation to DC scheme consolidation. The blog notes that DC consolidation continues to accelerate; schemes with fewer than 5,000 members are the most likely to wind-up or consolidate. The Pension Schemes Act 2026 introduces some significant new legal duties for DC schemes, including providing a default guided retirement solution, carrying out a value for money assessment and facilitating small pot transfers. TPR urges smaller DC schemes to consider now whether they can meet these duties or whether members would be better served through consolidation or wind-up.

Guidance [Transferring to a master trust: considerations for smaller defined contribution schemes](#)

(31 March 2026)

In light of the trend towards DC scheme consolidation and the new legislative requirements under the Pension Schemes Act 2026, TPR has published new guidance for the trustees of smaller DC schemes on the considerations and preparation required to assess whether to transfer to a master trust. TPR considers a smaller DC scheme to be one with fewer than 5,000 members.

The guidance states that trustees should consider the following factors when considering whether to transfer their DC scheme to a master trust: changes to the regulatory landscape; ongoing cost; regulatory priorities for trusteeship; and the needs of members. The guidance provides further detail on each of these considerations, as well as those appropriate for hybrid schemes.

The guidance then focuses on why a transfer to a master trust might be appropriate. Master trusts are authorised and supervised by TPR and, therefore, this should offer trustees of smaller DC schemes a

degree of comfort in respect of a master trust's standards, governance and financial sustainability. TPR also notes that master trusts provide broader investment opportunities and more innovative solutions, including in relation to member communications and complex benefit structures. Finally, master trusts will meet the new legal duties under the Pension Schemes Act 2026.

When investigating which master trust to choose, TPR highlights its [list of master trusts open to enquiries from smaller schemes](#). TPR also provides a list of questions trustees may want to ask as part of their due diligence of master trusts. These include questions in relation to the onboarding process, the default investment strategy and member communications, among others.

Guidance [Winding up or transferring a defined contribution scheme](#)

(31 March 2026)

TPR has rewritten its guidance on winding-up or transferring a DC scheme or DC section of a hybrid scheme. The revised guidance splits the process into three stages on decision-making, preparation and completion of the wind-up.

For the first stage, TPR suggests various factors to consider in making the decision to wind-up, as well as due diligence steps and assessment of options for members. The second stage, on preparation, includes some points to check to ensure the process runs smoothly. The third and final stage looks at formal trigger and member communication, concluding with a checklist of final actions which may be needed to complete the wind-up.

Blog [Pensions dashboards: are schemes ready for the next step?](#)

(23 April 2026)

With the deadline for connection in less than six months (31 October), TPR emphasises that connection is just the start of the dashboards

journey and urges schemes to keep up the momentum, focus on value data and embrace the opportunities to learn from user testing.

Report [Market oversight: Pensions dashboards](#)

(23 April 2026)

In August 2025, TPR contacted around 50 large schemes (schemes with more than 100,000 active and deferred members) to understand how well prepared they were for connection to pensions dashboards.

The report into the findings of this investigation highlights that:

- most large schemes are already connected and have strengthened their focus on data;
- personal data work is ongoing – many schemes are still improving the quality of the data used to identify dashboard users, putting in place processes to resolve possible matches and processes to review and refine their matching criteria;
- value data preparations are less advanced than personal data, with significant work still required to ensure information sent to members is accurate, up-to-date and dashboard-ready; and
- data quality controls exist but schemes need data improvement, monitoring and assurance to be routine, rather than a one-off exercise.

The report includes specific actions schemes should take and highlights best practice, particularly in relation to the importance of value data and user testing to identify any possible technical issues. Note that next month, TPR will be contacting a sample of DB and hybrid schemes to understand their value data preparations.

Guidance [Pensions dashboards](#)

(23 April 2026)

TPR has updated its guidance on pensions dashboards. The updates reflect the latest guidance from the Money and Pensions Service

(MaPS), progress with the central digital architecture, clarification of policy from DWP, industry feedback and best practice.

Note that TPR now provides [two checklists](#) to help schemes prepare for dashboards: one for schemes which are still working to connect; and one for schemes which are already connected.

[Fighting pension fraud](#)

(16 April 2026)

This press release flags a speech by the Fraud Minister at the Pension Scams Action Group's [Fighting Pension Fraud](#) webinar 2026, in which he urged trustees to use "every touchpoint" - whether correspondence, websites, or customer service teams - to reinforce scam warning messaging and protect savers from pension scams.

TPR says it has reviewed more than 1,000 suspicious websites and that PSAG is working with Nominet (the UK's national domain name registry) to flag up newly registered domains and disrupt potential scams. There is also a TPR analyst embedded in City of London Police.

The press release reminds trustees and administrators to know the [warning signs](#), educate members, report suspicious activity and [join the pledge](#) to combat pension scams.

[Code of Practice: Authorisation and Supervision of Collective Defined Contribution \(CDC\) Schemes 2026](#)

(29 April 2026)

Following the recent [consultation](#), TPR has published its [response](#) to consultation and an updated code of practice for CDC schemes (the CDC Code).

When [the existing Code of Practice](#) was published, only single or connected employer collective defined contribution schemes were permitted to apply for authorisation to operate. The revised CDC Code will allow providers to offer their scheme to multiple, unconnected

employers. They will need to apply to TPR for authorisation before taking on business. Multi-employer schemes could be operating in early 2027.

The revised CDC Code sets out TPR's expectations of CDC schemes, the criteria for their authorisation and how TPR will use its powers in this market.

THE PENSION PROTECTION FUND

[Final levy rules for 2026/27 levy year](#)

(18 March 2026)

The PPF has published its final 2026/27 [Policy Statement](#) and supporting documents. As the levy is zero for conventional schemes, there are fewer documents compared to previous years.

The PPF has reduced the amount of data required from conventional schemes to a core set of information designed to assess risk and support publications such as the Purple Book. This includes (via the Annual Scheme Return on Exchange) s179 data on scheme funding, details on how assets are invested and information to help monitor claims risk. Schemes no longer need to submit voluntary information on Exchange or any of the data which was previously submitted directly to the PPF.

However, a risk-based levy remains for alternative covenant schemes (ACSs) such as superfunds, although the precise figure will not be published to maintain confidentiality for the small number of ACSs.

The [press release](#) also reminds trustees that, as the PPF's D&B insolvency risk portal will be closing from 1 April 2026, schemes should download any data they need by the end of March.

THE PENSIONS OMBUDSMAN

CAS-82907 [Mrs T](#) (NHS Pension Scheme) - *where decision-maker has a discretion, it must consider exercising it*
(21 April 2026)

The member complained that the scheme manager refused to consider her request to re-assess the level of her ill health early retirement benefits.

The member had asked for reassessment outside the normal three-year limit specified for such an application in the scheme Regulations. However, the Regulations provided a general discretion to extend, "*in any particular case... any time limit mentioned in these Regulations*".

The manager said that it had not considered the discretion in this case as its policy was only to do so where a member had made contact within the three-year period to advise of ongoing treatment, or treatment delays, that might take an application outside that period.

The Ombudsman said that while it was reasonable to have a general policy for the exercise of a discretion, it was wrong that in this case the exercise of the discretion was not considered at all. Even where a general policy existed, "*it is still incumbent on decision makers to consider that discretion in light of the facts of each case and/or an individual's specific circumstances*".

Here, alongside the member's individual circumstances there were special factors that could potentially be taken into account such as the impact of the COVID-19 pandemic on the member's ability to meet the application deadline.

Comment:

A reminder from the Ombudsman that trustees must retain some flexibility in exercising discretions, even where they have adopted a general policy, in order to avoid accusations of having "*fettered their discretion*".

MISCELLANEOUS

ICO

[Guidance on how to deal with data protection complaints](#)

(12 February 2026)

The ICO has finalised its guidance on how to deal with data protection complaints. Organisations must have a process for individuals to make data protection complaints, including acknowledgement within 30 days of receipt, with appropriate steps taken resulting in the complainant being told the outcome without undue delay.

The ICO recommends that data controllers write a complaints procedure, as well as set up arrangements with their joint controllers and agreements with their processors to ensure complaints are dealt with in accordance with the guidance.

Comment:

While data protection complaints are likely to be much rarer than IDRPs, trustees should ensure they are ready to properly address any through a process that aligns with the ICO's guidance.