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The Grand-standing ends

The House of Lords has completed its examination of the *Pension Schemes Bill 2024/26*, in Grand Committee. The Bill will now move on to the Report Stage in the Lords, for which three sittings have been scheduled, on 16, 19 and 23 March 2026. So far, the legislation remains on track (barring an unexpected level of upper-chamber uppishness, or other unforeseen circumstances) to receive Royal Assent in the spring.

Amendments

Since Parliamentary convention holds that, in Grand Committee, peers don't press amendments to votes when they are opposed, only amendments that were debated and accepted have been added to the Bill. In practice, that means that the only substantive differences between the Bill as amended in Grand Committee and the one brought over from the House of Commons in December 2025 are Government-led changes to the indexation of compensation, connected with pre-6 April 1997 service, payable by the Pension Protection Fund (PPF) and the Financial Assistance Scheme.

Baroness Sherlock, on behalf of the Government, had also introduced amendments designed to convert the current pension arrangement for Atomic Weapons Establishment employees into a new, unfunded public-service pension scheme. A procedural question was, however, raised about whether the amendments had 'hybrid' aspects (affecting both public and private interests), leading the Baroness to withdraw them pending clarification of that point. They may be brought forward again at the Report Stage.

There was no absence of activity by backbenchers and Shadow spokespersons. As previously reported, numerous amendments were introduced and debated during the Committee's January sittings, covering subjects such as the Local Government Pension Scheme (LGPS), defined-benefit (DB) surpluses and value-for-



money, small-pot consolidation and new requirements on scale and asset-allocation in defined-contribution (DC) schemes.¹

It took three further sittings in February to complete the Grand Committee's scrutiny of the Bill. In that extra time, it got through clauses that would enable workplace -personal-pension-scheme providers to transfer members without consent, oblige occupational DC trustees to provide 'guided retirement' solutions, establish a statutory framework for DB superfunds, provide a solution to the *Virgin Media* issue, prospectively index-link pre-6 April 1997 PPF compensation, extend the Pensions Ombudsman's jurisdiction to settle overpayments disputes, and introduce more flexibility into the PPF-levy legislation.

The backbench and Opposition amendments that were proposed, but withdrawn after debate, included attempts to—

- make the Government bear responsibility for poor outcomes arising from its use of the proposed reserved power to direct scheme's asset allocations;
- give the PPF more flexibility to decide the balance of risk- versus scheme-based components in its levies (Baroness Sherlock said that the Government will consider the need for such additional changes, though she would make no promises that they would be made by this Bill);
- force the Government to review the main unfunded public-service pension schemes, to assess their long-term affordability, intergenerational fairness, fiscal sustainability and accounting treatment;
- impose upon the Secretary of State for Work and Pensions a duty to align the Bill's implementing regulations with *Technical Actuarial Standard (TAS) 300: Pensions*, which requires that actuaries consider 'credible alternatives' when giving advice on bulk transfers of schemes' liabilities (for example, when trustees or employers are thinking about buying out liabilities, by looking also at the comparative pros and cons of superfund transfers or running-on); and
- require consideration of systemic risks in investment, restrict investment in thermal coal, and promote consideration of biodiversity factors.

These and other amendments may return for a second bite of the cherry, and be put to the vote, at the Report Stage.

News & views

Amidst the Grand Committee debates, some notable nuggets of information emerged. Baroness Sherlock said that legislation backing the Government's proposal to issue statutory guidance to trustees on performance of their fiduciary duties will come '*when Parliamentary time allows*' (there was no indication that it would be part of the current Bill). It (the guidance) will be for private-sector, occupational schemes, although there should be alignment with the positions for Financial Conduct Authority-regulated schemes and the LGPS. It's expected that consultation-draft guidance will be published in the spring.

The Government, via a [letter](#) from Baroness Sherlock to other members of the House of Lords who have been involved in debates on the Pension Schemes Bill, clarified the intention behind various Bill provisions affecting the LGPS. Their lordships were exercised by proposed powers for the Government to direct asset pools' investment activities, to determine the pool in which any given administering authority (AA) participates, and to

¹ See 'A Grand affair—the Pension Schemes Bill', in *Current Issues* February 2026 <www.hymans.co.uk/media/neilb5qw/current-issues-february-2026.pdf>.



specify what must be covered in AAs' investment strategies. The letter also mentions the requirement for pools to collaborate with strategic authorities over local investment, the evaporation of the pools (which are in the process of reducing in number from eight to six), and their role as the primary providers of investment advice.

PPF Zero

The Pension Protection Fund (PPF) has [confirmed](#) that there will be no levy on 'conventional' schemes (those with substantive sponsoring employers) for the 2026/27 levy year. There will still be a levy for 'alternative covenant schemes' (for example, superfunds), though it's expected to be low.

In its [levy consultation](#) in December 2025, the PPF proposed that there would be a zero levy associated with conventional schemes provided that it obtained a '*very high level of confidence*' that Pensions Bill measures that would allow it to re-impose levies in future would be made. The PPF now states that it is '*reassured by the consideration given to the changes needed to conclude its decision making*'.

The PPF has published [FAQs](#) in which it says that certain information, previously provided by schemes voluntarily to the Pensions Regulator to obtain levy savings, as well as evidence like asset-backed contribution certificates and contingent-asset documentation that was given directly to the PPF, will not be required. It also mentions that the D&B insolvency-risk portal will be shut down on 1 April 2026, and advises that any information required from the portal is downloaded before that date.

A full policy statement and levy rules for 2026/27 will be published in March.

Elected members

The Ministry of Housing, Communities and Local Government has [published](#) details of the outcome of consultation on proposals to admit mayors, and re-admit councillors, to the Local Government Pension Scheme in England and Wales.

The Government intends to proceed with its plans. The resulting regulations will come into force on 11 May 2026, so that the forthcoming local elections don't produce very short periods of councillor membership.

The Government's conclusions on consultation proposals regarding normal minimum pension age, academy-employer participation via a single administering authority, and extension of the 'new Fair Deal' to LGPS membership will be published '*later in the year*'.

Actuarial technicalities

The Financial Reporting Council (FRC) [confirmed](#) that it would make no substantive changes to AS TM1, the actuarial technical memorandum that applies to statutory money purchase illustrations, following its annual review. [Version 5.2](#) of TM1, effective from 6 April 2026, nevertheless has some clarificatory changes to the phrasing of requirements concerning fund-volatility calculation dates.

The FRC is separately [proposing](#) changes to *TAS 310: Collective Money Purchase Pensions*, to prepare it for forthcoming (31 July 2026) changes to the regulatory regime, allowing the creation of unconnected-multiple-employer schemes. The most significant difference in the [exposure draft of v. 1.1](#) of *TAS 310* is the insertion of a new chapter on the assessment of '*actuarial equivalence*', a reference to the requirement that, in the calculation of benefits, members are expected to get value for the contributions made by and for them. There's also a new requirement for consideration and communication of the materiality of changes in uncertainty about future benefit adjustments, in the event of scheme closures.

Rebuke for the Regulator

There were some interesting comments made by a First-tier Tribunal judge in a [recent appeal](#) against auto-enrolment penalties imposed by the Pensions Regulator.² Although he dismissed the appeal on jurisdiction grounds, the judge went on to warn the Regulator not to allow the zeal of its staff to override its obligations to act fairly and in accordance with the law. He said that three of the Regulator's five core submissions in the appeal were '*simply wrong*', and attributed its failings to '*the curse of "cut and paste"*'.

The judge also recommended that the Regulator warn appellants that they may be disadvantaged if they agree to have their appeals decided on the basis of written representations alone, rather than request a hearing. His rationale was that, in some cases, '*small, unrepresented organizations with very limited resources and little if any grasp of the complex legal framework which applies*' are missing the opportunity to have the full facts and circumstances behind their non-compliance teased out under questioning.

Internal data-disputes resolution procedures

The Information Commissioner's Office has published guidance on '[How to deal with data protection complaints](#)'. The publication anticipates the 19 June 2026 commencement of the obligation on data controllers (such as pension scheme trustees), under section 103 of the *Data (Use & Access) Act 2025*, to establish a process for data subjects to make and receive responses to complaints.

² *4 Wheeler Ltd v The Pensions Regulator* [2026] UKFTT 153 (GRC).

HMRC newsletters: February 2026

[Pension Schemes Newsletter 178](#), from His Majesty's Revenue and Customs (HMRC) included the following information:

- transfers to qualifying recognised overseas pension schemes (QROPS) must be reported via the online Managing Pension Schemes (MPS) service from 6 April 2026 (administrators are now able to search and print copies of previous MPS reports);
- HMRC will share further information and guidance on the new requirements for pensions inheritance tax, due to apply from 6 April 2027, *'in due course'*;
- work is *'ongoing'* on transitional measures connected with the increase to the normal minimum pension age (from 55 to 57) that is scheduled for 6 April 2028, and details will be shared in a newsletter once draft regulations are available for consultation (HMRC also encourages sharing of information on protected pension ages, retrospectively, with schemes that have received transfer values);
- an announcement and apology for delays in rolling out digital improvements to speed up the processing of relief-at-source claims; and
- a reminder about the migration of the look-up service for members' lifetime-allowance protections and enhancements to the MPS service, plus some guidance on the information needed to use it.

And Finally...

There's a common lament in pensions about the number of abbreviations that pepper, blunderbuss-style, the typical discussion. At least they have the virtue of brevity; *AF* saw reference to '*das Zweite Betriebsrentenstärkungsgesetz*' in a briefing about pensions developments in Germany. It translates as something like 'the Second Occupational Pensions Strengthening Law'. *AF* reckons that even those who *ein bisschen Deutsch sprechen*—and, to be clear, *er* personally *spricht* a vanishingly small *bisschen*—might feel their eyes vitrify by the time they reach the umlaut. They might even find themselves craving a wee TLA or three.

Speaking of TLAs...

Pity the poor souls who find themselves bereft by the prospect of the DWP, FCA, and TPR proceeding with their revised VFM plans, which might threaten to deprive them of the pleasure of talking about a DC scheme's 'RAG status'. The Man has a plan that necessitates supplementing red and amber with not one but *two* shades of green, to signify the degree to which defined-contribution schemes comply with the forthcoming value-for-money framework. Is RAG still a satisfactory acronym in that case, or does that make it RAGG, RAG² or even RALD (red, amber, light-green, dark-green)?

Pseudo-philosophical question of the month: is it still a traffic-light framework if there are four colours? *AF* would usually only expect to see four colours if he had been in a collision and was viewing the traffic lights through the plumage of the imaginary birdies circling his head...

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