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60-second summary

Pension Schemes Act implementation - a deluge of DWP documents

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On 13 July 2026, the Department for Work and Pensions (DWP) published a bumper, fun-packed, summer-holiday-edition bundle of documents. These lay out plans for the implementation of the reforms contained in the *Pension Schemes Act 2026*. The main focus is on the Act's defined contribution (DC) measures, though there are updated timing indications for both the DC and defined benefit (DB) elements.

Up-scaling DC investment defaults to £25bn

A *Discussion Paper on Key Elements of the Scale Policy* describes how the government plans to bring the size of the default investment arrangements of DC master trusts and group personal pensions used for auto-enrolment compliance up to £25bn. It asks for details of existing default arrangements and any plans that providers have to consolidate them to create '*main scale default arrangements*' (MSDAs) that meet the impending asset threshold. It also discusses what the requirement for MSDA assets to be subject to a '*common investment strategy*' might mean in practice, and what sort of connections between different schemes of the same provider could allow them to be considered to form a single MSDA.

The Discussion Paper is open for comments until 7 September 2026.

Default DC benefit solutions

A policy paper on *Pension Schemes Act 2026: Guided Retirement Guiding Principles* gives the government's expectations for how trustees will go about meeting the new obligation to provide members with 'default pension benefit solutions' for their DC funds at retirement. Yardsticks will include avoiding the need for members to make complex financial decisions, the provision of protection against longevity risk, freedom of choice for those who want to do their own thing, and member buy-in from those who prefer to follow the default route.

VFM nitty gritty

There's a consultation paper[1] on the objectives and implementation approach for the new DC value for money (VFM) framework. Alongside the consultation, the DWP has published draft versions of the regulations that would apply to occupational schemes and the equivalent Financial Conduct Authority rules for contract-based schemes.

The consultation exercise runs from 13 July to 1 September 2026.

The long & (naturally) winding road ahead

An updated '*Roadmap*' gives indicative timings for implementation of the *Pension Schemes Act* reforms to both DC and DB pensions. The revised version is far more densely populated than the original document, published in June 2025. A real riot of colour, the update provides lots of additional detail of the government's implementation calendar. One notable (and expected) change is the deferral of commencement of the new guided-retirement obligations until a point after retirement collective defined contribution (R-CDC) schemes become a possibility. The government is considering giving more time to those who are pursuing R-CDC as their default pension benefit solution, and plans a consultation exercise on the subject in the autumn.

Benchmarks for success

Lastly, the DWP has published an evaluation strategy. It sets out the metrics that'll be used to assess progress against the aims of the reforms. The measures will look not only for evidence of increased scale, returns and UK-growth investment in the DC sphere, but also track the number of DB superfunds and the extraction of surpluses.

We're pleased to see that, despite leadership change and other distractions, the government is sustaining momentum by defining and refining its implementation plans. The *Roadmap* takes us up to the end of the decade and beyond. Careful shepherding of the introduction of the reforms, and responsiveness to feedback and experience, will be vital to achieve the desired improvements in member outcomes without overburdening trustees and administrators. For reactions to the individual announcements, from our subject experts, please visit our media centre.

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[1] A joint effort by the DWP, Financial Conduct Authority (FCA), and Pensions Regulator, and bearing an FCA consultation reference (CP26/25).

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