LCP powering possibility

DB pensions priorities 2026

Embracing new opportunities: insights from our 2026 survey of DB pension schemes

Summer 2026

Embracing new opportunities

DB pension schemes are increasingly benefiting from a landscape that is opening up more choice and more opportunities. Over the past 12 months, funding levels have remained strong, insurance pricing has reached its most competitive levels yet, and industry developments have sparked innovation, increasing the range of endgame options.

Our survey shows schemes are actively reassessing wider strategic options, including surplus use and run-on over a range of timescales. It shows that whilst insurance remains the ultimate endgame for most schemes, there is clear interest in the full range of endgame options, with a significant proportion of medium-sized schemes considering long-term run-on strategies.

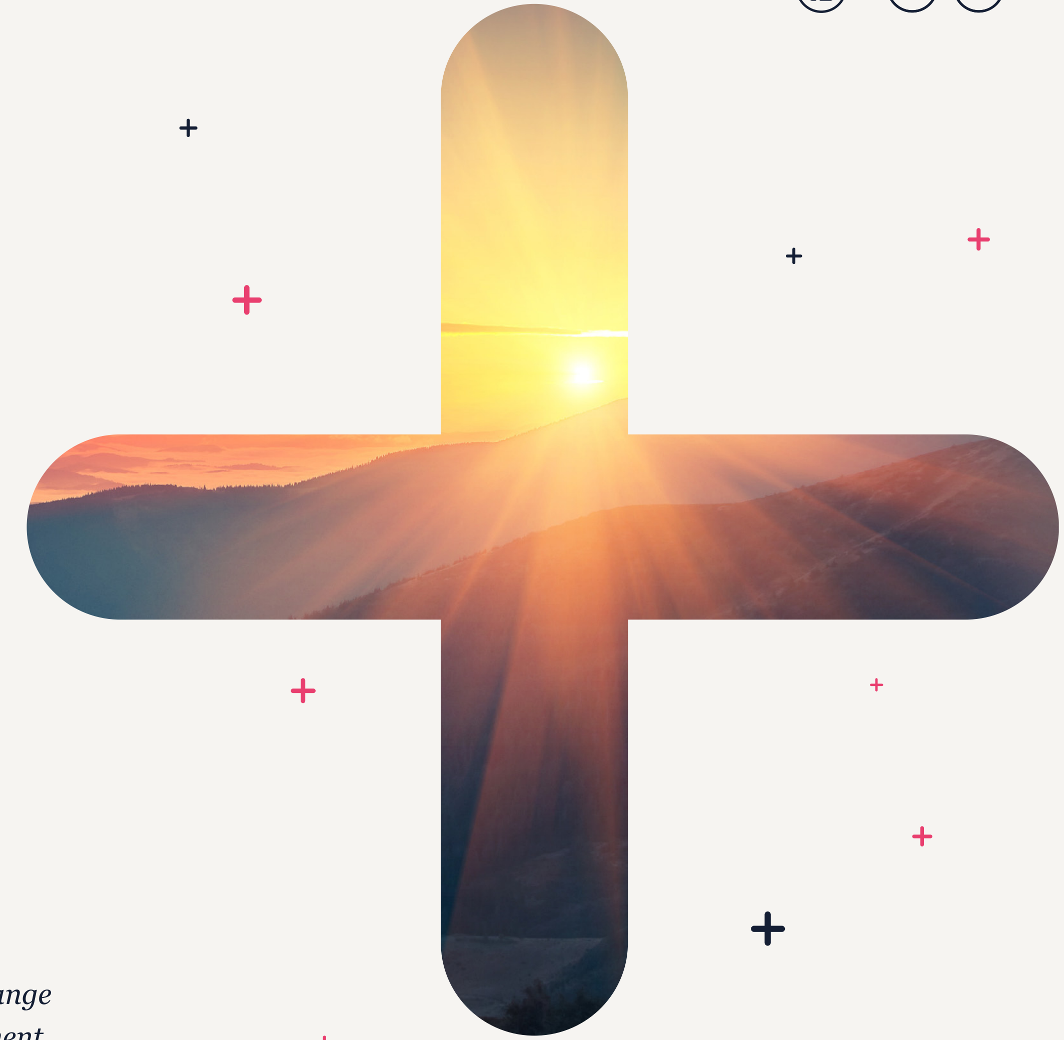
Our findings suggest a market that is developing and maturing: stronger governance frameworks are being embedded; schemes are adapting to the requirements of the new funding regime; and adoption of AI is increasing with care. At the same time, a significant proportion of schemes still see barriers to progress, and cyber risk remains a key concern, despite many schemes taking steps to improve their cyber security.

For most, the next phase will require a shift from strategic thinking to effective execution. Schemes that invest early in planning, governance and operational readiness will be best placed to move efficiently towards their desired endgame, whilst maintaining flexibility along the way.

Our survey captures the views of trustees, sponsors and pensions managers across more than 200 DB schemes of all sizes, revealing a positive picture of how the DB landscape is evolving. This year's findings point to many schemes now being better placed to embrace new opportunities as they assess the next stage of their journey.

Stefan Kemp, Partner and Lead Author

Embracing new opportunities



Key insights from this year's analysis

- Funding levels continue to improve, with **55% of schemes now fully buy-out funded** – up from 43% in our 2025 analysis. Source: LCP Visualise+
- Managing surplus is an increasingly important strategic consideration: **69% of schemes** are now actively considering how to put surplus to best use.
- Schemes continue to weigh up the full spectrum of endgames, with run-on solutions more often being considered by smaller schemes than previously: **almost 50%** of schemes we surveyed between £500m and £1bn are now **planning for long-term run-on.**
- Around **70% of schemes are still reporting barriers to progressing towards their endgame**. Data and benefits readiness remain key issues, but differences in stakeholder views are increasingly stalling progress.
- When it comes to risk, there is increasing concern about **cyber risk** – reflecting recent high-profile attacks – as well as wider **geopolitical and economic instability.**

Trustees are increasingly having to make more sophisticated decisions. They must answer to a wide range of questions on funding, surplus and endgame, with more viable options on the table. In that environment, the most valuable support comes from a scheme actuary who can bring together technical strength, strategic perspective and practical experience of a wide range of outcomes to help manage all stakeholders.

Nick Clark, Partner and Head of Pensions Actuarial

What's in our report

This year, we have built our report around four key themes. In each section we explore the topics mentioned below, summarise the results, and share our insights.

Endgame and surplus strategy

We explore how strategic thinking is evolving in a stronger funding environment. Insurance remains the most common endgame, though other options are being considered, with long-term run-on gaining ground. Use of surplus has firmly moved into the spotlight, prompting considerations on value and balancing stakeholder interests.

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Risk and resilience

Cyber remains a leading concern, while AI and wider external uncertainty are becoming more prominent on trustee agendas. Whilst many schemes are taking actions to mitigate and test their resilience to these risks, many believe there is more to be done.

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Governance, regulation, and new ways of working

As new requirements bed in, schemes are reviewing whether their governance and operating models remain fit for purpose. We examine how respondents are approaching regulation, climate, AI and wider operational change.

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Looking ahead to next year

The year ahead looks set to remain busy. We highlight the priorities schemes are focusing on next, from risk transfer and journey planning to surplus strategy and operational readiness.

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Additional resources

Access further content on the topics covered in this report, including recent webinars.

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Our survey

Find out more about our survey participants and the questions we asked.

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Our experts

Find out who to contact to learn more.

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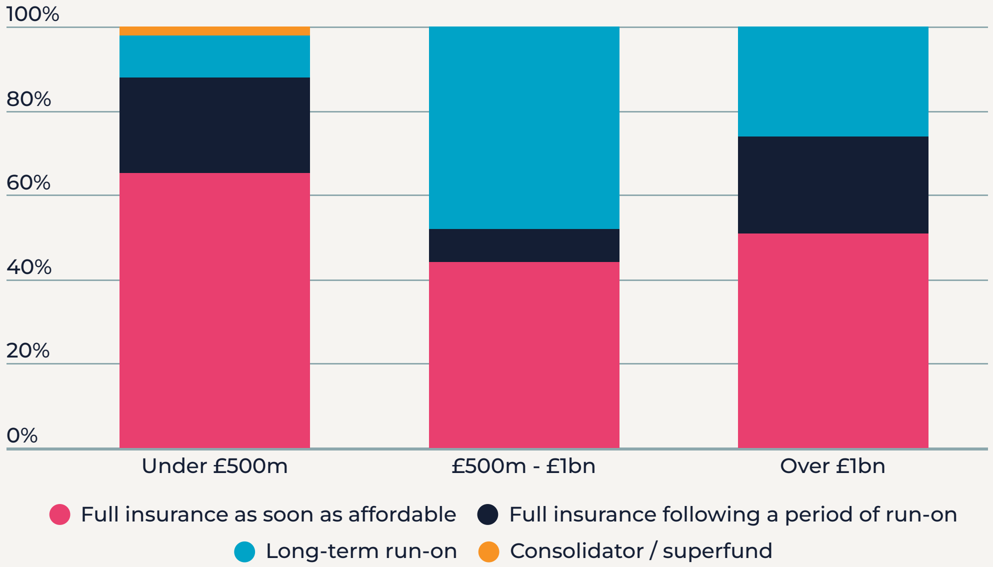
DB schemes are navigating a period of exceptional change and in many cases a new world, with regulation, endgame planning, surplus, technology and risk all competing for attention at once. In that environment, the challenge is not just keeping up with the volume of change, but prioritising what matters most and cutting through the noise to focus on the decisions that will make the biggest difference.

Jon Forsyth, Partner and Head of Pensions Developments

Schemes embrace the full spectrum of endgame options

What is your chosen endgame for your scheme? (Results where endgame is known)



The endgame market is becoming both broader and more innovative, giving trustees and sponsors more credible ways to meet their objectives than even a year ago. With funding levels strong and options continuing to evolve, the key is to keep strategy under review so schemes can make the most of the opportunities now available.

Jonathan Griffith, Partner and Head of Endgame Innovation

There are signs that trustees and sponsors of the schemes surveyed at all sizes are reassessing their options:

- Most schemes under £500m still expect to target settlement through a transaction, but around a third now plan to run-on beyond the point at which insurance first becomes affordable.
- In the £500m to £1bn range, more schemes favoured long-term run-on than short-term settlement, suggesting a continued shift away from the perception that this is an option reserved for the largest of schemes.
- There is a modest increase in the proportion of schemes over £1bn targeting full insurance, which may reflect the highly competitive pricing currently available.

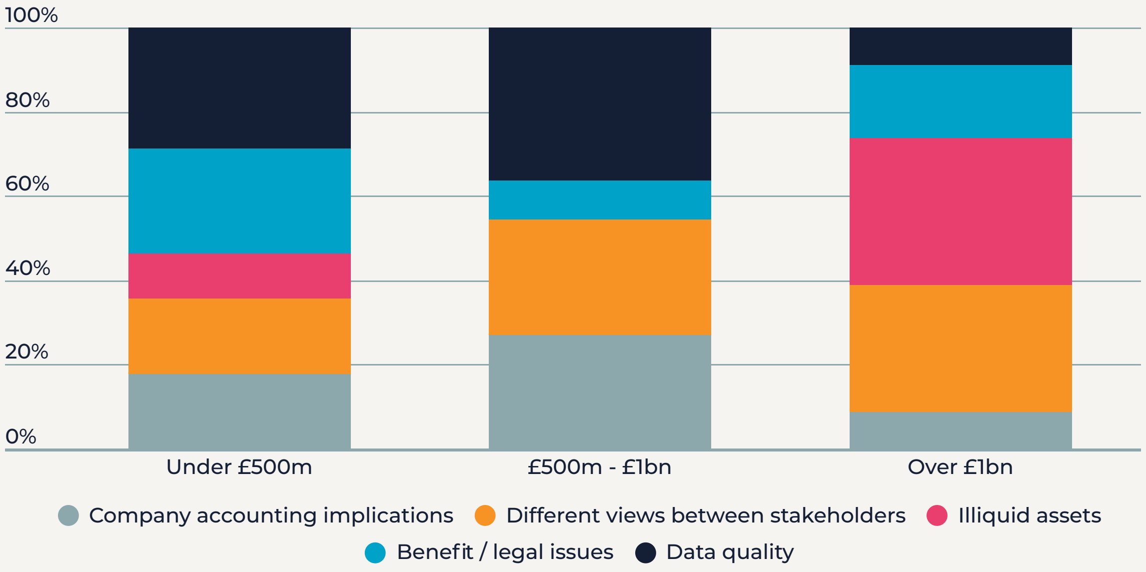
Insuring as soon as possible remains the most popular overall choice, but insurers are having to innovate to differentiate themselves in the face of intensifying competition and increasing interest from schemes in alternative endgame options. This includes "member-first" transactions (with the **£4.3bn Rolls-Royce buy-in** breaking new ground) and new "value share" options (such as Prudential's "BPA Plus" with-profits buy-in).

With **high-profile Clara transactions** completed in recent years, including the first involving a non-distressed sponsor, superfunds are emerging as a credible and increasingly relevant option for a broader range of schemes. With the Pension Schemes Act paving the way for new providers and gateway tests being relaxed, this is an area with growing potential, and it will be interesting to see how this momentum builds in future surveys.

Curious? Watch our webinar covering strategic considerations in light of improved funding levels and innovation **here**, including information on the landmark transfer of the **Stagecoach Group Pension Scheme**.

Differing stakeholder views increasingly halting progress

Funding position aside, what do you view as your biggest barrier to progressing to the next stage of your journey? (where there is a barrier)



> *Schemes continue to face a variety of challenges on the journey to their chosen endgame. Proactive planning and collaboration between stakeholders and respective advisers will remain key for efficiently addressing these barriers and ultimately achieving objectives.*
>
> **Jill Ampleford,** Partner and Head of Trustee Consulting

More than 70% of respondents still see a barrier preventing progress to the next stage of their journey (excluding cases where funding level is the main barrier).

Data and benefit issues remain prominent. Given these are often brought to the fore as part of preparation for an insurance transaction, it is unsurprising to see the smaller schemes surveyed viewing these as the immediate roadblock. However, it is encouraging to see that schemes without these pressures, such as those choosing to run-on in the long-term, are also considering data and benefit issues as part of their strategy, and not as an afterthought.

Illiquid assets continue to be perceived as a prominent barrier for the largest of schemes, where illiquid assets often feature more heavily. There is however an ever-expanding set of solutions available to address illiquidity for schemes targeting near-term insurance: the secondary market is now a well-trodden route; and many insurers are also willing to take on illiquid assets as part of transactions. There can also be attractive purchasing opportunities for those schemes planning to run-on.

There is a noticeable increase in the number of respondents citing differences in views as being the dominant factor preventing progress (24% vs 14% last year). This may reflect negotiations being reopened, with endgame options broadening and funding levels improving, or perhaps a strategic pause prior to The Pensions Regulator's (TPR) forthcoming further guidance on surplus release.

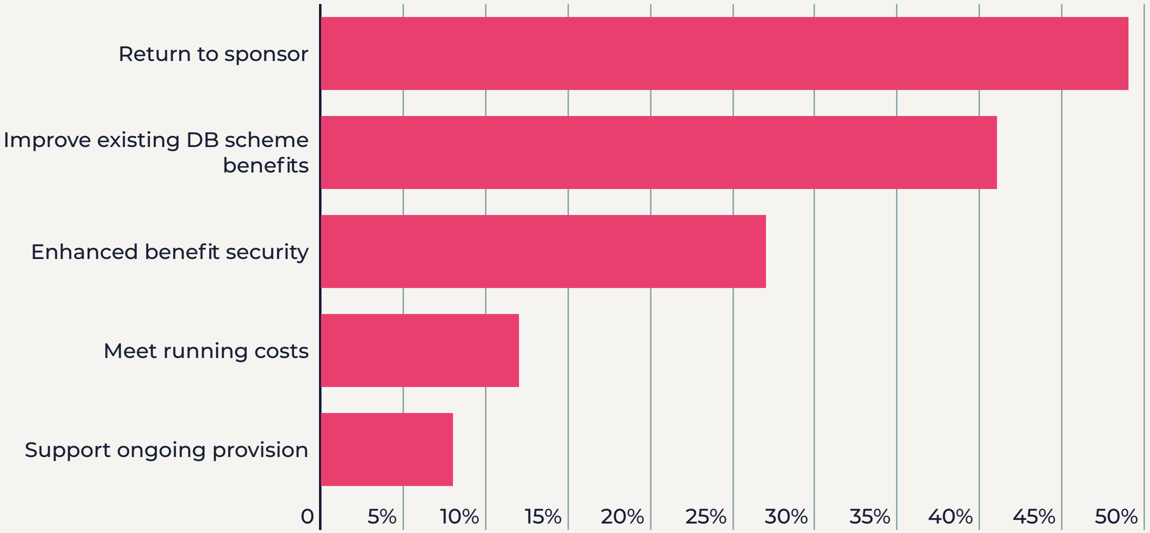
Curious?

Listen to our podcast on unlocking value from illiquid assets

[The quick take on unlocking value in secondary market transactions]

DB surplus is a live consideration for most schemes

What is your strategy for DB surplus over the coming years? (where schemes expect to use surplus)



Note: our survey was issued before DWP released their draft surplus regulations, and TPR their accompanying statement.

Positively, most respondents are now embracing that they will be managing a scheme in surplus. New rules on surplus are opening up more options to achieve meaningful upsides for both members and sponsors, with most expected to share surplus across a number of different uses.

Steve Hodder, Partner, Investment Consulting

Where respondents are actively considering how to best put surplus to use (69% of schemes surveyed), they are generally not limiting themselves to a single use of surplus: 71% indicated they would put surplus to use in at least two ways.

Almost half of schemes considering surplus use have indicated a plan to return surplus to the sponsor. However, sharing is very much on the agenda, with around half of those planning on returning surplus also expecting to improve members' DB benefits.

It is perhaps unsurprising that fewer than 10% of schemes are expecting to use surplus to support ongoing provision, with many schemes now being closed to accrual or do not have an attached DC section.

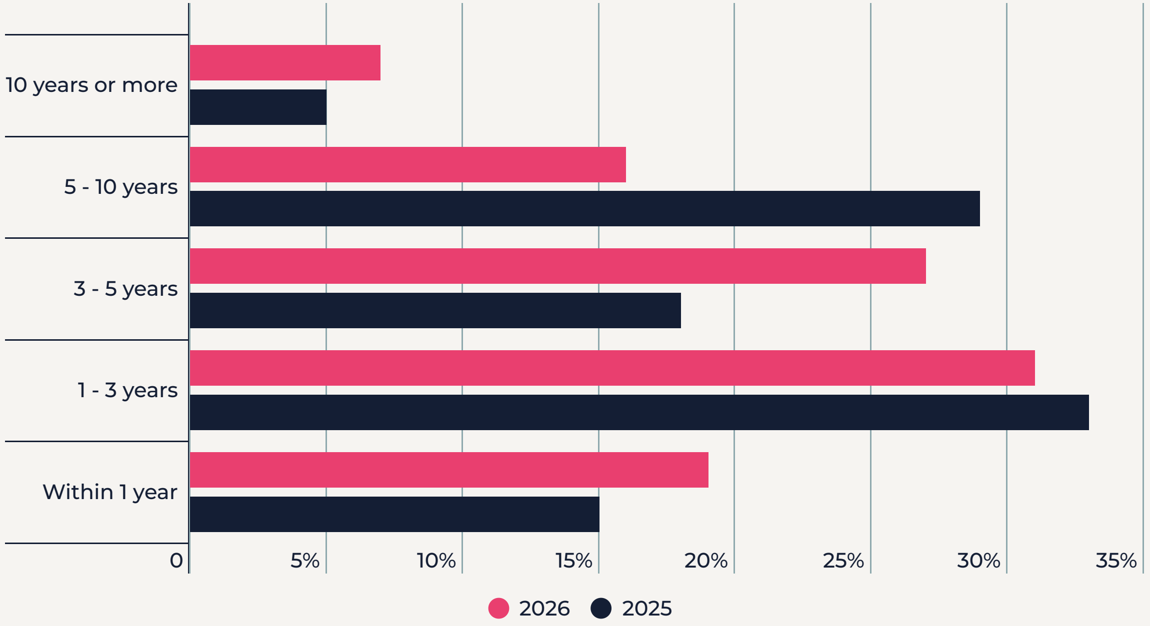
In practice, these findings are likely to reflect aspirations, rather than agreed surplus policies. It will be interesting to see how the picture changes as surplus policies are formalised. However, the number of schemes expecting a surplus to manage suggests now is the time to consider strategy for DB surplus, to ensure it is managed and used appropriately over the remaining lifetime of a scheme, and in some cases to develop a plan to actively generate more surplus over time.

Curious?

Watch our webinar on DWP's surplus regulations consultation **here**

Over 75% of schemes targeting full insurance expect to transact within the next 5 years

What is the expected timeline to your final transaction?



Risk transfer is undergoing a period of evolution, with sponsor swaps and value-sharing options now on the table, as well as anticipated entrants to the superfund market. This greater level of choice, as well as the already competitive market, has continued to drive highly attractive insurer pricing - now at record levels – and wider improvements to insurers' member service and offerings.

David Fink, Partner, Pensions Risk Transfer

Of the 59% of respondents targeting full insurance as their agreed endgame, the expected timeline to a final transaction remains spread across a range of horizons, but this year's results are slightly less polarised than last year's.

In 2025, we reported on a noticeable split between schemes expecting to transact within three years and those expecting a final transaction to be 5-10 years away. This year's results show a modest shift away from the longer term, with a larger portion now expecting to transact within the next 5 years.

There are several possible explanations for this shift. Insurer pricing reaching the most competitive levels yet may be bringing some transactions forward, and improved funding levels may mean those schemes deferring insurance expect to achieve their run-on objectives earlier than planned.

At the same time, part of the change may reflect a shift in strategic destination rather than timing alone. Some schemes that might previously have expected to insure after a short period of run-on may now be considering longer-term run-on instead, and so may no longer sit within this population.

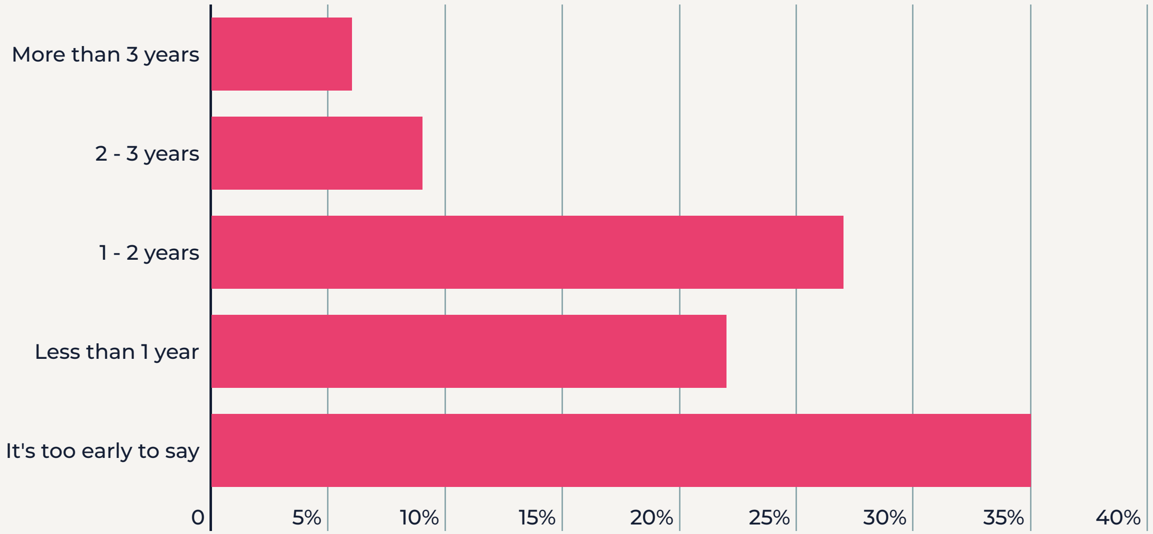
With so many schemes expecting to transact in the next 5 years, it reinforces the need to complete preparations in advance to make schemes attractive and position themselves strongly with insurers to ensure a smooth and timely transaction.

Curious?

Check out our latest pension risk transfer update **here**

Majority of schemes expect wind-up to occur within two years of final transaction

What is your planned timeframe for completing all wind-up actions following your final insurance transaction?



Record transaction levels in recent years have increased demands on insurers as they transition schemes from buy-in to buy-out. Insurers are generally coping well with this challenge. When coupled with the anticipated pipeline of transactions over the next few years, schemes will need to plan well for this phase and have the right specialist support and governance in place to help meet expectations and achieve buy-out and wind-up within desired timescales.

Rachel Banham, Partner and Head of Post Transaction Team

35% of respondents said it was too early to form a robust view on the expected timeframe to wind-up. This suggests that, whilst many schemes are making good progress towards full insurance, a sizeable minority have not yet worked through the operational detail of the post-transaction phase.

Among those informed enough to take a view, most expect wind-up to be completed within two years of their final transaction.

Moving from transaction to buy-out and wind-up involves far more than tidying up data. Based on our experience of the wider market, timescales of three years or more can be typical if specialist post-transaction support is not put in place.

However, schemes that bring in an experienced specialist - one that brings strong project management and understanding of insurers' processes, and has an established relationship with insurers' teams - will be able to deliver on these ambitions.

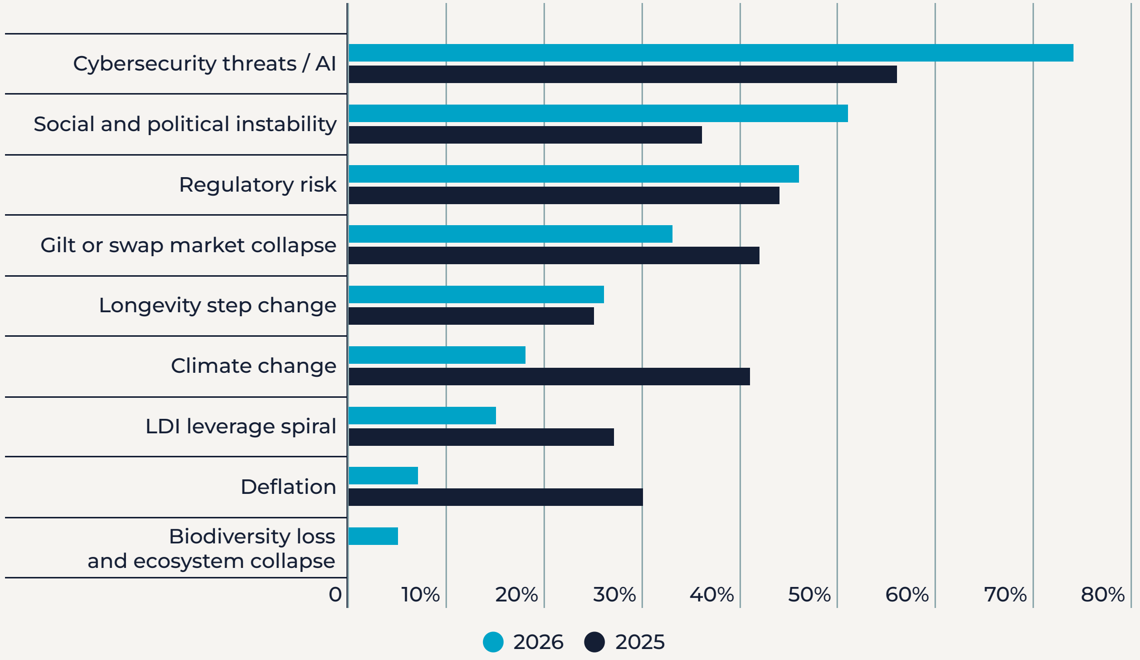
Insurers are responding to demand by expanding their teams and developing more standardised, automated processes. But schemes' own administrators and advisers also face a significant workload, from managing member activity under buy-in to delivering data cleanse work and supporting a smooth handover ahead of buy-out.

Curious?

See our **pension risk transfer report** for more information on how insurers are adapting and **last year's report** for some myth-busting of the post-transaction journey.

Wider external threats of increasing concern, but cyber risk continues to dominate

Of the systemic risks below, please select the top three you are most worried about for your DB schemes.



External and operational risks are understandably at the forefront of minds, but it is important to not lose sight of the fact that many systemic risks are interlinked. Regardless of the chosen endgame, it will be important to understand what exposure your scheme has to such risks, and take action to mitigate their impact.

Simon Coomber, Partner

Cybersecurity threats and AI-related risks have further cemented their place as risks of most concern, with close to 75% of respondents including these in their top three worries, compared to around 55% of respondents last year. As in previous years, we have drilled down into the detail on cybersecurity on **page 12** and have explored use of AI further on **page 14**.

Given developments in early 2026 and the broader geopolitical and political backdrop, almost half of respondents included social and political instability as a top three risk, emphasising the importance of considering broader geopolitical, environmental and political uncertainty when assessing the risks that DB schemes face. Regulatory risk also remains prominent, with the Pension Schemes Act 2026 finalising its journey through Parliament while the survey was open.

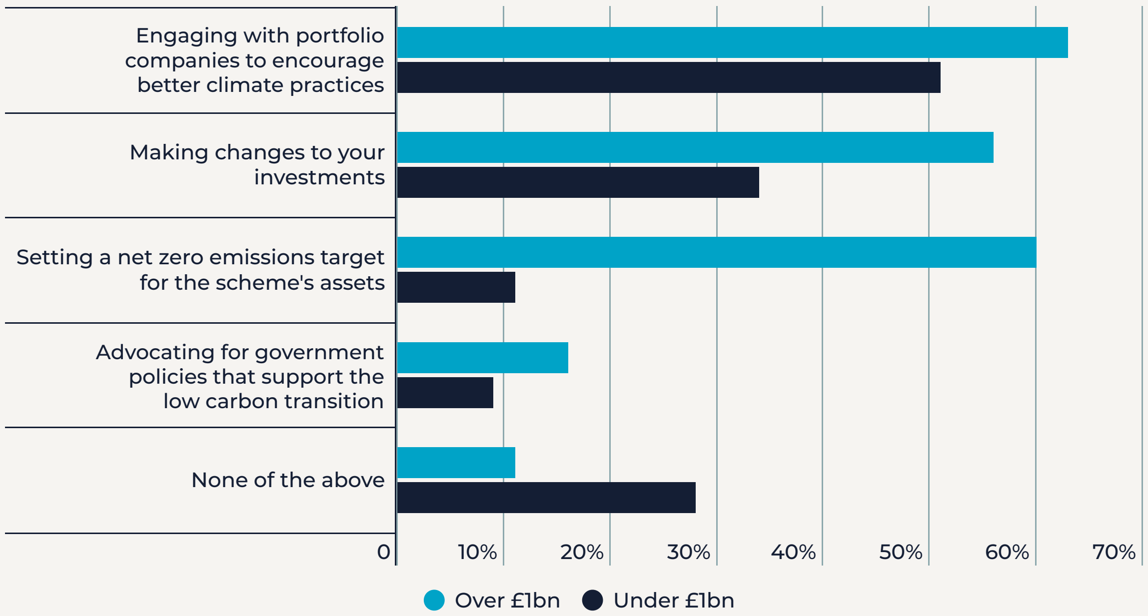
There has been a considerable fall in the number of respondents including climate change as a top three worry. This does not mean that respondents see climate change as unimportant, as evidenced by their actions on the next page, but recent high-profile cyber attacks and today's geopolitical environment may feel more pressing compared to what might be seen as a longer-term risk, particularly against a backdrop of more mixed political and policy signals on climate and ESG issues internationally.

Curious?

Our framework helps trustees identify which systemic risks to focus attention on. Speak to your usual **LCP adviser** to apply it to your scheme. We will also be discussing systemic risk at our annual DB pensions conference **sign up here**.

Practical climate action taking priority, with larger schemes moving further and faster

What actions has your scheme taken, or is taking, to address climate risk, either directly or through your investment managers?



These results show that climate action is not standing still — but schemes are choosing different routes. For many, stewardship and targeted investment changes feel like the most practical next steps, while larger schemes are more able to translate ambition into formal commitments.

Christopher Taylor, Senior Investment Consultant

These results suggest that climate action in 2026 is continuing, but often through practical steps rather than headline commitments.

A large proportion of schemes are looking to engage with portfolio companies or make targeted changes to investments, indicating that many trustees are focusing on actions that feel tangible and deliverable within existing governance structures.

Larger schemes appear materially more active overall, likely due to reporting requirements, but also capacity, resources, and time to focus on a broader range of topics. This is consistent with what we often see in practice: larger schemes typically have greater governance capacity, more access to specialist advice or bespoke investment solutions and, in many cases, more experience as a result of climate-related reporting requirements. By contrast, policy advocacy remains a more niche priority, even for larger schemes, with fewer than one in five expecting to take this route.

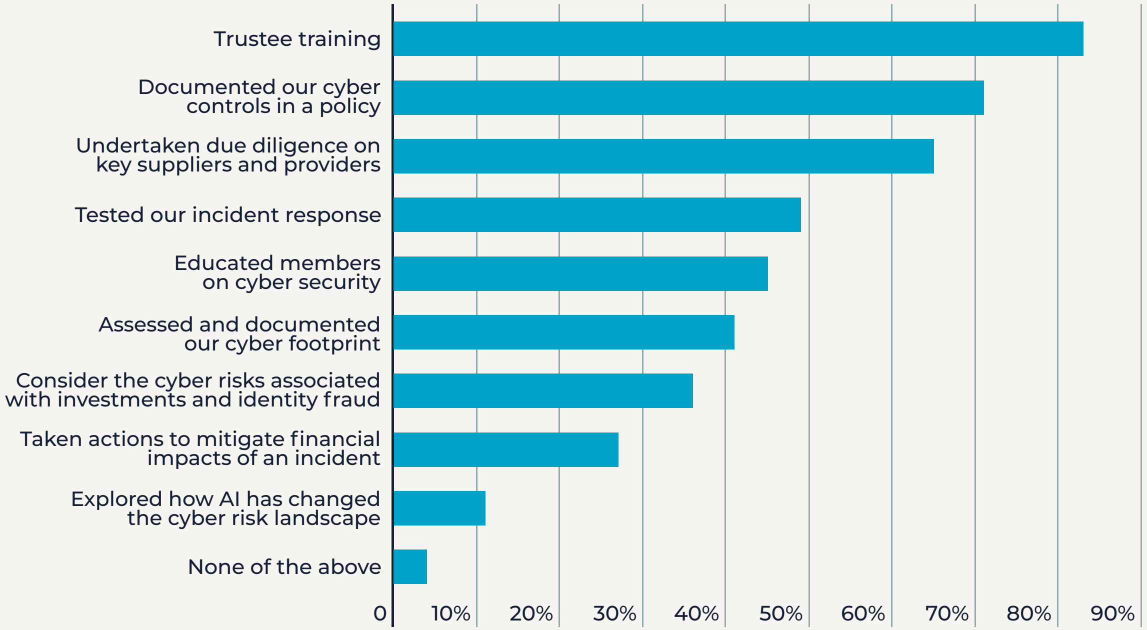
Formal net zero commitments remain important, particularly for larger schemes, but they are only one part of the picture. For many respondents, the emphasis appears to be on taking credible, proportionate action that can be embedded into decision-making now.

Curious?

Read our blog on how schemes can use climate scenario analysis to consider risks and opportunities
Using narrative climate scenarios to help asset owners better factor climate change into decisions

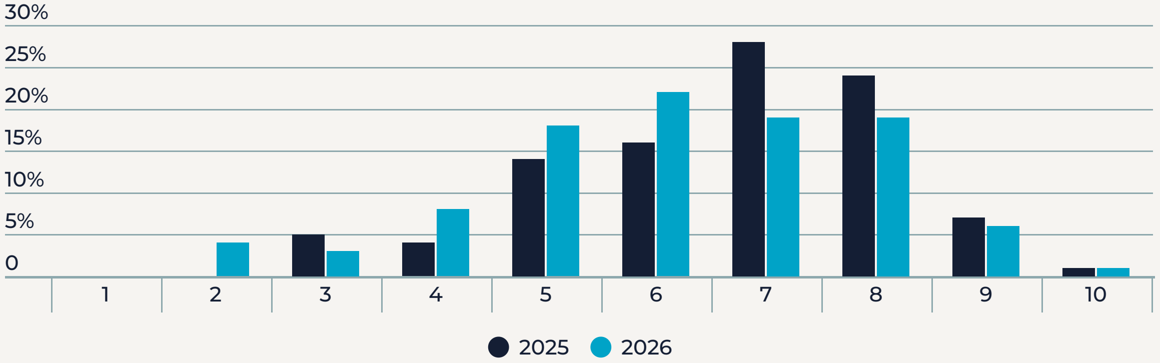
Trustee confidence in cyber preparedness falls, despite positive actions being taken

What actions have you taken to address cyber risk?



> *Given recent high-profile cybersecurity incidents, it is not surprising that trustees feel less prepared than before, even though many schemes have taken positive steps. This highlights the need to keep training, policies and incident response plans up to date.*
>
> **Chris Holly,** Partner, Pensions Management Consulting

How prepared do you feel? (1 = not prepared, 10 = very prepared)



Given the constantly evolving nature of such a high-stakes threat to pension schemes and their members, it's reassuring to see many respondents have taken positive action to prepare for cyber risks, with more than 80% of schemes having undertaken specific training on the topic, and over 60% testing the policies of their suppliers and putting their own policy in place. Almost half of respondents are expanding on this, by taking steps to better educate members about the cybersecurity threats they may face.

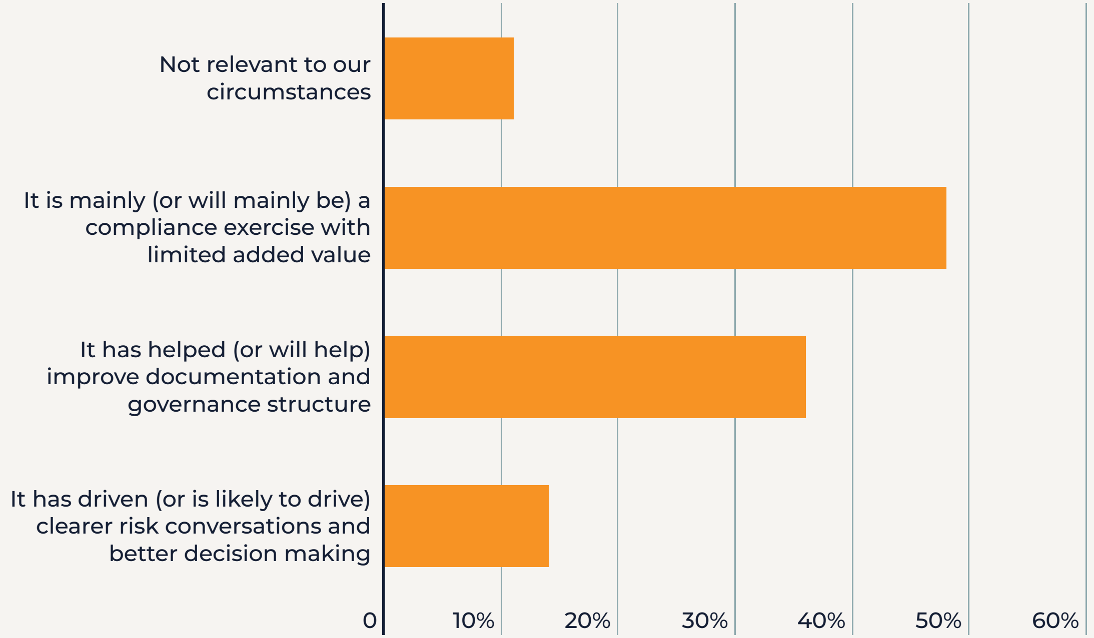
However, it appears there is room for further training and defences to be put in place, with a general fall in how prepared respondents are feeling: this year 54% consider their preparedness as 6 out of 10 or less, compared to 39% last year. This is perhaps to be expected, given last year's reminder that even high-profile names are not invulnerable to cyber attacks.

Curious?

For further steps to improve preparedness, see our cybersecurity checklist.

Trustees adapting to new governance requirements and technology

How would you describe the impact (or likely impact) of the ORA on your scheme?



The initial experience of the Own Risk Assessment (ORA) is mixed. While 48% of respondents view the ORA primarily as a compliance exercise, there are clear signs it can deliver broader benefits. A significant proportion of schemes report improvements in governance, with 37% citing stronger documentation and structures and 14% seeing a tangible shift in risk conversations and decision-making.

There is still opportunity for schemes to fully realise the ORA's potential. In many cases, the focus remains on documentation and demonstrating that frameworks exist, rather than testing how effectively they operate and how consistently they drive better outcomes.

This is perhaps unsurprising. Earlier Effective System of Governance (ESOG) work has focused on building governance foundations. The ORA represents the next stage, shifting emphasis to assessing effectiveness in practice, identifying gaps and driving improvement. Encouragingly, responses suggest this transition is already underway.

Curious?

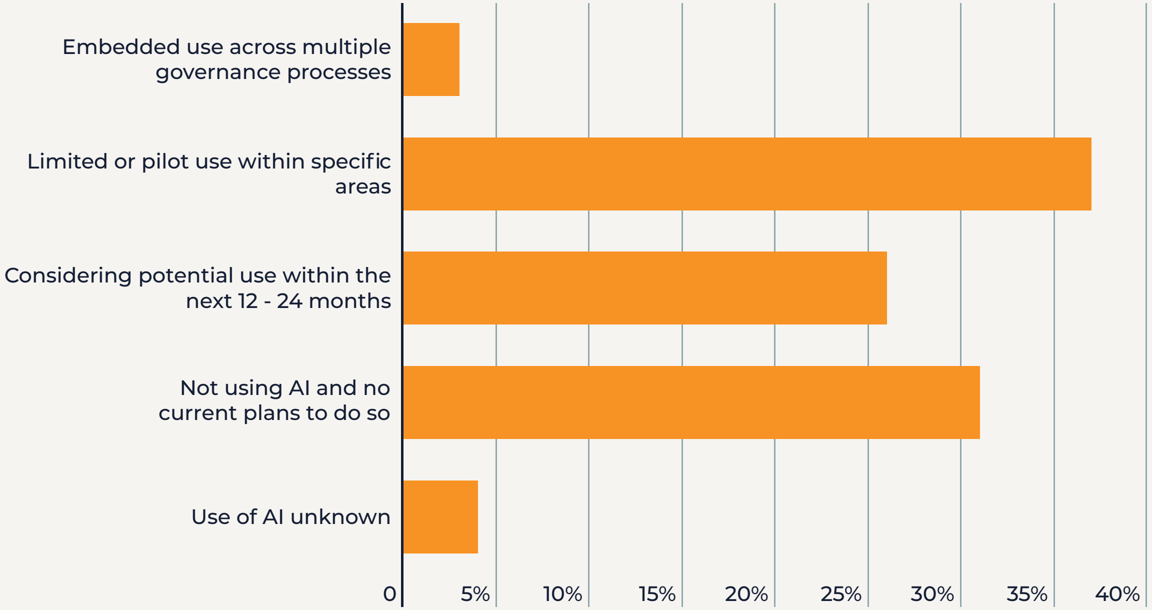
See our **five top tips** for making your ORA truly effective

The real test will be how schemes evolve their first ORAs — moving beyond documentation towards deeper analysis of effectiveness and more proactive identification of emerging risks.

Rachika Cooray, Partner and Head of Governance

Many schemes adopting a cautious approach to AI

To what extent is your scheme currently using AI or AI-enabled tools within governance, administration, or investment oversight?



Schemes are starting to embrace the use of AI, but the approach so far is tentative, perhaps driven by concerns around accuracy or safety of member data. Used in a responsible and effective way, there are clear opportunities for using AI to improve efficiency and tackle other challenges that schemes face.

Helen Howell, Partner

The use of AI is beginning to move from theory into practice, but most schemes are still at an early stage. While 37% of respondents report limited or pilot use in specific areas, and a further 26% are considering use over the next one to two years, only 3% say AI is embedded across multiple governance or operational processes. By contrast, 31% are not using AI and have no plans to do so. The overall picture points to one of growing interest, but cautious adoption, with most schemes focusing on targeted, lower-risk use cases currently rather than wholesale transformation.

This feels in line with the wider pensions and regulatory landscape. TPR said in May 2026 that AI could improve administration, decision-making and member engagement, while also stressing that trustees remain accountable for outcomes and must understand where and how AI is being used, including by administrators and advisers acting on the scheme's behalf.

Curious?

We're using AI to deliver content that resonates with diverse audiences through **LCP Transpose™**

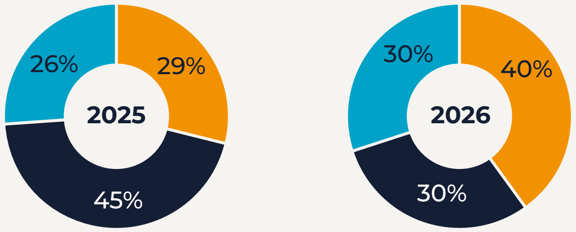
To see this in action, watch or listen to an AI powered summary of this report by clicking or scanning the QR code:

Watch
Listen
Translate

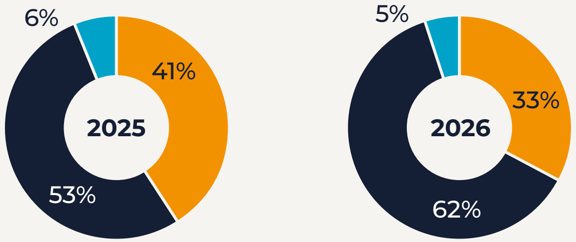
Efforts around inclusion and accessibility are well supported, but practical action remains challenging

What level of action are you taking in relation to the following areas?

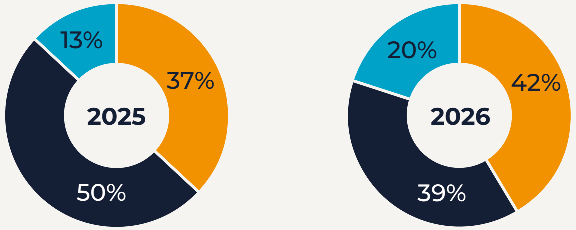
Implementing a DEI policy



Supporting vulnerable members



Managing behavioural risks



We see it as an extra governance burden

We are supportive but not yet taken action

We are supportive and have taken steps to progress

This year's results suggest that support for efforts to improve the experience of vulnerable members, as well as for building inclusive and effective decision-making groups, remains strong.

Across all areas surveyed, most respondents are either already taking action or are supportive of doing so, indicating that these issues remain important for schemes. However, the findings also reveal a clear gap between general support and practical action with many respondents saying they have not yet taken steps or are unsure where to begin.

In the context of growing scrutiny of the term "DEI" as an umbrella label for the distinct areas of diversity, equity and inclusion, it is notable that there was a marked increase in the number of respondents reporting that they had implemented a DEI policy. This suggests schemes remain committed to improving inclusion, accessibility and member experience. However, a meaningful minority still view this as an added governance burden. This may reflect wider pressure on trustee time and resources, or uncertainty about what proportionate implementation looks like in practice.

The next step is likely to be converting broad support into targeted action that is practical, proportionate and aligned with member needs, with a focus on objectives and outcomes over terminology.

The results suggest that schemes remain committed to strengthening board decision-making and improving accessibility and member experience for diverse memberships. We have also seen an increase in the number of schemes implementing policies in this area, which creates an opportunity to follow commitment with practical action. The challenge now is to focus on tangible outcomes for members without getting distracted by terminology.

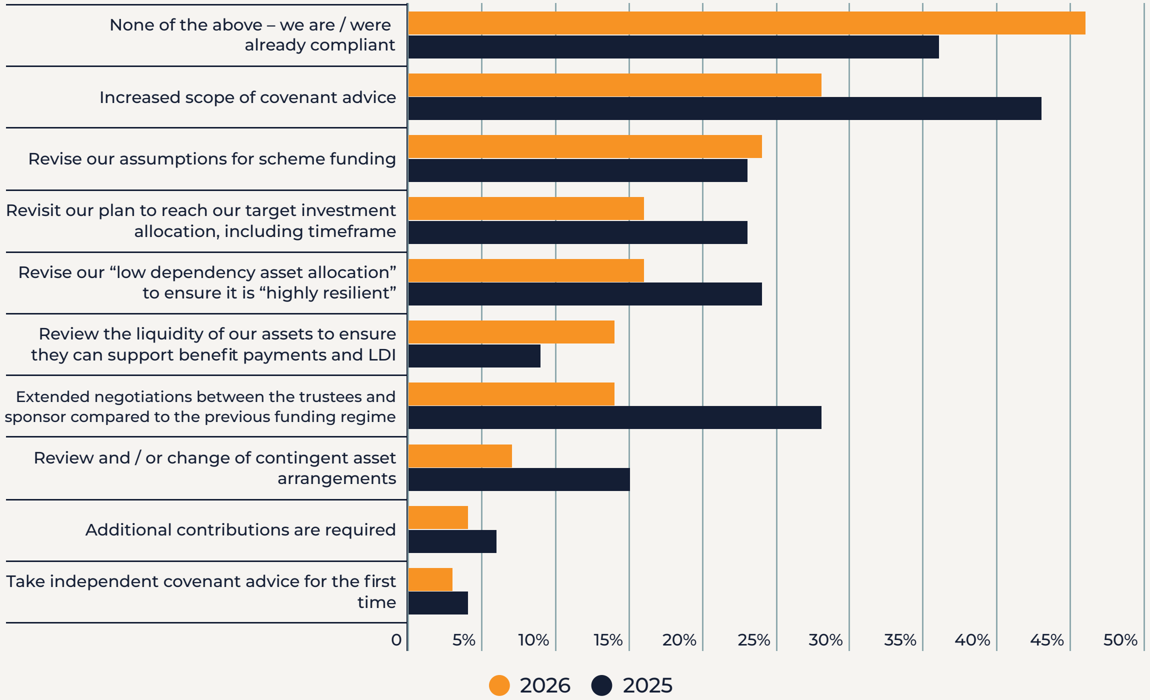
Zoe Burdo, Partner and Chair of LCP's DEI Committee

Curious?

Contact LCP Partner **Zoe Burdo** to understand how we can support your journey in a practical and pragmatic way. You can also read about **LCP's DEI journey**

Many schemes anticipating limited consequences of the new funding regime

What impact has the new funding regime had on your current / next triennial valuations and strategy?



The impact of the new funding regime on respondents' schemes appears to have moderated somewhat over the last year, with around 45% saying they are now compliant (compared to 36% last year).

This likely reflects not only the number of schemes that have now completed their first valuation under the new funding regime, but also a more muted impact of the new regime due to the continued improvement of funding levels. This may also explain the fall in the number of respondents that are expecting more complex valuation negotiations (14% vs 28% last year).

Where schemes are expecting there to be an impact, it is typically with respect to the inputs of the valuation, such as the level of covenant advice obtained or a revision of the funding assumptions. In contrast, few respondents expect a considerable impact on the outputs of the valuation, such as expecting changes to contributions or extended negotiations.

It's apparent that only a limited number of schemes are experiencing notable changes to their funding strategy as a result of the new regime, which is likely a function of the improved funding levels so many schemes have witnessed over recent years. The key step remains to plan ahead and to realise that trustees may need more advice than previously, particularly about the employer covenant. With the recent consultation on surplus flexibilities for DB schemes, many schemes may find it is the low-dependency funding target, rather than the technical provisions, that becomes the key negotiation point in future valuations.

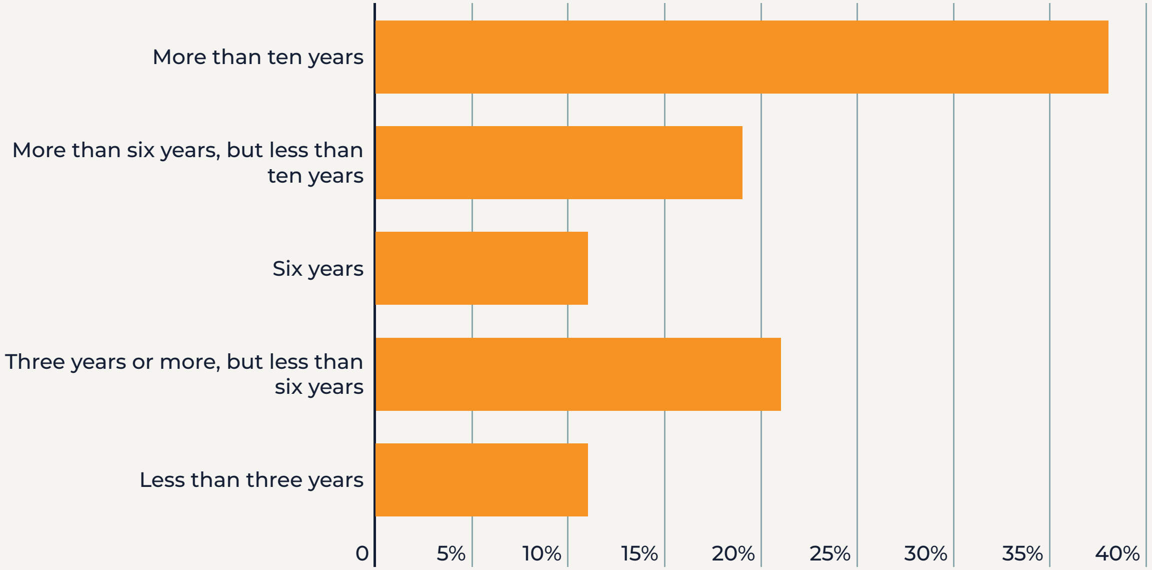
Richard Soldan, Partner and Head of DB funding

Curious?

Watch our **webinar** for key learnings from TPR and LCP on the new funding regime

Majority of schemes see their covenant as reliable for more than six years

How long do you think your employer covenant is reliable for?



Understanding covenant strength and reliability remains essential for trustees. For those looking to run-on, it will be a key consideration when agreeing strategies and surplus sharing frameworks. But for all trustees, during this period of greater geopolitical and macro economic uncertainty, it's important to regularly monitor how the covenant could be impacted, and whether mitigating actions are appropriate.

Helen Abbott, Covenant Partner

Understanding the sponsor covenant remains important for decision making in DB schemes. For well-funded schemes it influences decisions on how long to run-on before settling benefits, in determining how much surplus can be used or shared, or how much investment risk to take when pursuing a strategy to generate further surplus.

For schemes that still have a funding gap to bridge, understanding the support available from the employer is crucial – both in terms of the level of cash for contributions, and for how long the trustees can rely on that being provided.

As in previous years, a significant proportion of respondents have confidence in the long-term support available from sponsors: this year more than half believe their covenant is reliable for more than six years, and close to 40% are of the view that their covenant is reliable for over ten years.

This contrasts with TPR's expectation that typically reliability periods will be between three and six years. In TPR's definition, the reliability period doesn't reflect how long the employer will be around for (that's covenant longevity). Covenant reliability is specifically linked to certainty about the level of cash being generated by the employer and how much of this could be available to fund the scheme (if needed).

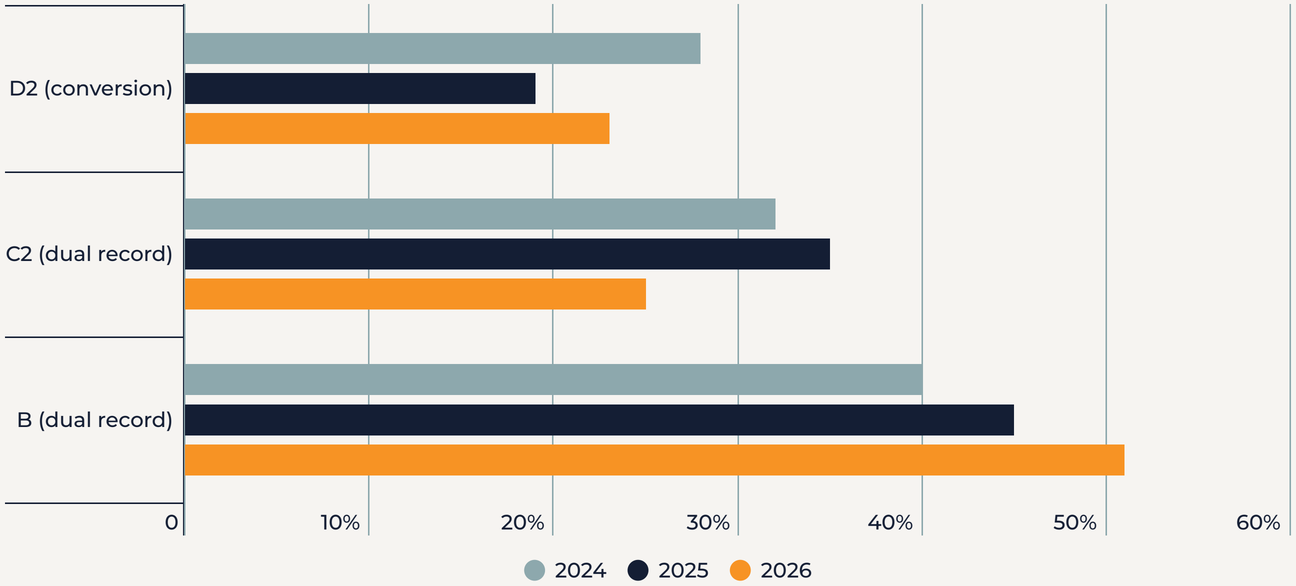
Given current geopolitical and macroeconomic uncertainty, frequent covenant monitoring is more important than ever. But this should still be proportionate to the scheme's level of covenant reliance and covenant risk: all else equal, weaker covenants or those particularly exposed to current risks should be monitored more regularly.

Curious?

Watch our **webinar** for thoughts on assessing covenant in an uncertain world

More than half of schemes opt to use Method B for GMP equalisation

Which method have you decided to use (or have you used) to equalise for GMPs for future payments?



As more and more schemes complete the GMP equalisation process we expect Method B to become increasingly dominant. However, Method D2 (conversion) may gain more traction if HMRC resolve the pensions tax issues associated with conversion. Which method is right for a scheme depends on the scheme, their membership, benefits, administrator and endgame strategy.

Alasdair Mayes, Partner and Head of GMP equalisation

Our survey continues to show the relative popularity of dual-record methods for equalising GMPs for future payments. Given the more extensive design and implementation considerations involved with Method D2 (conversion), this is perhaps unsurprising when many schemes cite data issues as a key concern (see page 6) and expect to wind-up shortly after an insurance transaction (see page 9).

However, conversion remains a viable option for many schemes, particularly those that might be able to tackle wider complex benefits as part of the conversion, and those that want to streamline administration when running-on in the long-term.

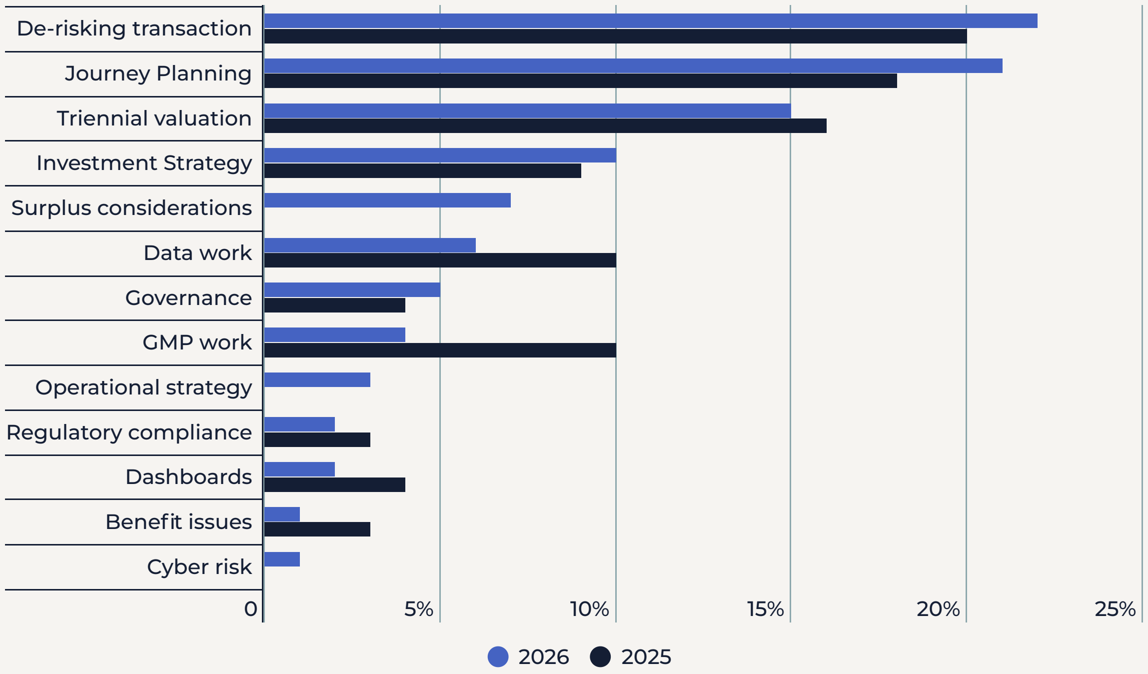
We continue to see Method B as the favoured dual-record approach, and the proportion adopting this method has increased further relative to last year. This may again reflect a desire for simplicity, with both administration and communication to members being more straightforward under Method B, despite in theory being the more generous to members and therefore leading to higher benefit costs.

Curious?

Read our latest insights on GMP equalisation here

Journey planning and endgame strategy remain key priorities

What is your top priority for your scheme in the coming year?



It's easy to place less weight on data and GMP projects at times when strategies are being reconsidered. But effective decision making requires having a clear picture of the scheme's position, which inaccurate data and benefits can mask. It's therefore crucial to make data and benefits part of the strategy, regardless of the choice of endgame.

Chris Martin, Partner and Head of Pensions Data Services

The responses to this question mirror many of the other themes drawn out in our survey. Once again, completing an insurance transaction remains the most common focus for the next year. Based on the rest of our survey responses, this looks set to feature strongly in future years too.

Journey planning and work relating to endgame strategy also continue to feature as top priorities. Again, this is perhaps unsurprising given the significant proportion of schemes yet to agree an endgame strategy (page 5), and the number of schemes citing a difference in opinion as the major barrier in their journey (page 6).

The responses also highlight another theme of this report, with surplus considerations being called out as a specific priority for the first time. With close to 70% of schemes expecting to generate a surplus and put it to use (page 7), and the direction of travel in TPR's guidance on surplus policies, it will be interesting to see how this priority develops over the coming years. Whilst fewer schemes are prioritising data projects than in previous years, we expect a focus on data and benefits as part of surplus considerations: trustees are likely to want a high-degree of certainty before releasing surplus under the new rules.

The number of schemes prioritising GMP equalisation projects has fallen from 10% to 4%. This reflects our own experience: many schemes have now fully implemented equalised benefits, or made meaningful progress towards doing so.

Curious?

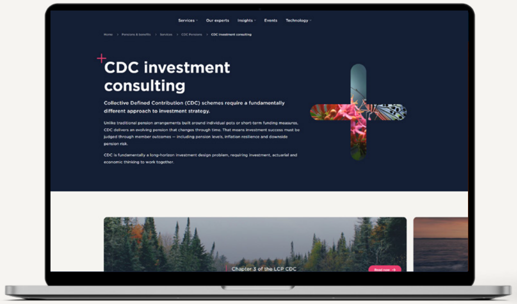
Contact our **Pensions Data Services team** to understand our strategic approach to data management

Curious?

Additional resources to find out more

[Longevity report](#)

[CDC investment series](#)



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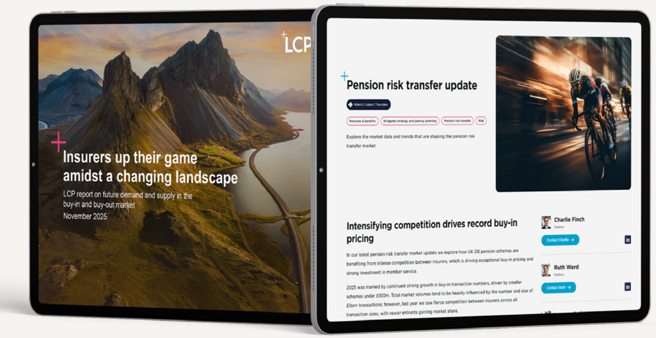

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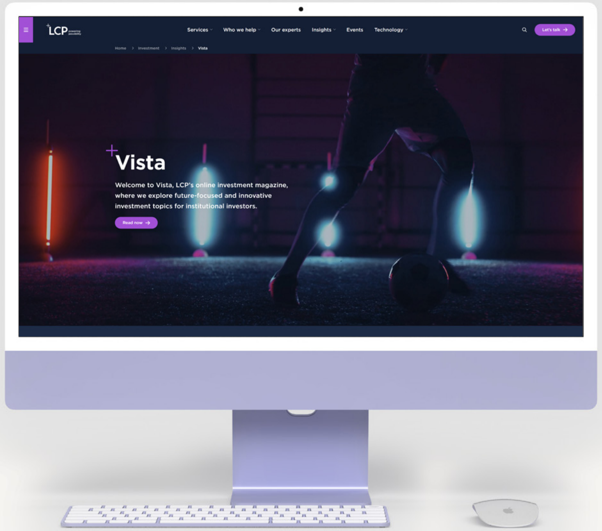
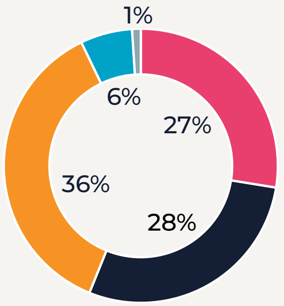
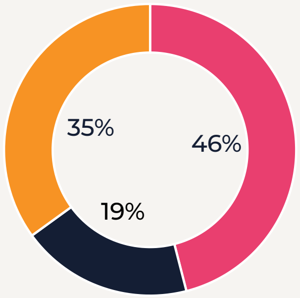


Our survey

In our latest survey, respondents representing trustees, sponsors, pensions managers and advisers told us about their schemes and gave us their insights on the UK pensions landscape





What about our client data?

Our survey is supplemented by data from LCP Visualise, covering over 240 UK DB pension schemes advised by LCP, ranging in size from less than £2m to over £10bn and collectively representing over £150bn of assets. This includes schemes where LCP provides actuarial, investment, covenant or corporate advice (or a combination) so does not necessarily represent LCP's advice in all areas.

What did we ask?

1. Are you a professional trustee, lay trustee (for example, a member or employer nominated trustee), sponsor, adviser, pensions manager / member of in-house team, or other?
2. What size is your scheme (DB asset size)?
3. What is your chosen endgame for your scheme?
   3a. What is the expected timeframe for your final transaction?
   3b. What is your planned timeframe for completing all wind-up actions following your final insurance transaction?
4. What is your strategy for DB surplus over the coming years?
5. Funding position aside, what do you view as your biggest barrier to progressing to the next stage of your journey?
6. How would you describe the impact (or likely impact) of the ORA on your Scheme?
7. Of the systemic risks below, please select the top three you are most worried about for your DB scheme. (Climate change, Cybersecurity threats / Artificial Intelligence (AI), Deflation, Gilt or swap market collapse, LDI leverage spiral, Longevity step change, Regulatory risk, Societal upheaval (eg war, natural disaster, political upheaval), Biodiversity loss and ecosystem collapse)
8. What actions has/is your scheme taking to address climate risk, either directly or through your investment managers?
9. Cyber risk
   9a. How much do you worry about cyber risk for your schemes?
   9b. If a cyber incident emerged today, how prepared would you feel?
   9c. What actions have you taken to address cyber risk?
10. What level of action are you taking in the following areas? Implementing a DEI / ED&I policy; Supporting vulnerable and sensitive members; Managing behavioural risks.
11. What impact has the new funding regime had on your current / next triennial valuation and strategy?
12. How long do you think your employer covenant is reliable for?
13. Which method have you decided to use (or have you used) to equalise for GMPs for future payments?
14. What is your top priority for your scheme in the coming year?

Please get in touch to find out more

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