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PRESS RELEASE

Funding regime has introduced more compliance, rather than strategic direction, for well-funded UK pension schemes – ACA survey

24 June 2026: The Association of Consulting Actuaries (ACA) has published new research showing that most UK defined benefit (DB) pension schemes are already well funded and clear on their long-term plans – with the new funding regime seen primarily as a compliance exercise rather than a driver of change.

The ACA calls for The Pensions Regulator (TPR) to urgently simplify its submission for Schemes to comply with the statement of strategy requirements.
Based on 156 responses from scheme actuaries across a wide range of UK pension schemes, the survey highlights a system that is largely progressing towards endgame strategies such as buy-out or running on, with limited influence from the new regulatory regime.

Key findings

The findings suggest that:

- The DB system is **largely well funded, as expected**
- The new funding regime is seen as **administrative rather than transformative**
- **Surplus flexibility may become the more important policy lever** in shaping future behaviour

Other key headlines are:

- **Strong funding positions**
  - **71%** of schemes are funded above technical provisions
  - **61%** of schemes are funded above their low dependency basis
  - **35%** of schemes are funded above solvency
- **Clear albeit varied endgame strategies**
  - **27%** targeting buy-out
  - **31%** planning short-term run-on until ready to buy-out
  - **21%** targeting self-sufficiency
  - **10%** actively running on to generate surplus
- **Limited behavioural impact from the funding regime**
  - Around half of respondents cited **additional documentation** as the main impact
  - Nearly a third pointed to new **expense allowance requirements**

- **Most schemes already meet regulatory expectations**
    - **80%** satisfy Fast Track requirements

Surplus reforms beginning to influence discussions

The survey also finds early evidence that new surplus flexibilities under the Pensions Schemes Act 2026 are prompting discussions, particularly among larger schemes:

- 34% of schemes have started or expect to start discussions on surplus use
- Larger schemes are more likely to review their plans:
    - 21% of schemes over £100m are reviewing or changing endgame strategies
    - compared with just 6% of schemes smaller than £100m

Chintan Gandhi, ACA Chair, commented:

"Our survey shows that UK pension schemes are generally in a strong funding position and already moving towards their chosen endgame.

"The new funding regime appears to be largely adding to the workload for schemes that are already well managed, rather than driving strategic change. A proportionate approach to capture information on these schemes should therefore be considered by TPR."

"What is more interesting is the emerging impact of surplus reforms, which are starting to shape conversations between pension schemes and employers. The devil will be in the detail as the DWP's regulations and TPR's associated guidance are formed, and we look forward to continuing our work with industry and policymakers to help shape a clear, workable DB surplus-release regime which properly balances the release of surplus with adequate clarity and confidence for employers, appropriate safeguards to members' benefits, and aligns appropriately with trustees' duties."

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About the Association of Consulting Actuaries (ACA)

Members of the ACA provide advice to thousands of pension schemes, including most of the country's largest schemes. Members of the Association are all qualified actuaries and all actuarial advice given is subject to the Actuaries' Code. Advice given to clients is independent and impartial. ACA members include the scheme actuaries to schemes covering the majority of members of private sector defined benefit pension schemes. The ACA is the representative body for UK consulting actuaries, whilst the Institute and Faculty of Actuaries is the professional body. The ACA is celebrating its 75th Anniversary this year.

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