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Update

August 2025

PPF levy invoicing on hold

Following the publication of the PPF levy rules for 2025/26 earlier this year, which included a provision for the Board to calculate a zero levy if appropriate legislative changes were brought forward that would enable it to re-establish a material levy in a reasonable timeframe if the need arose, the PPF has announced that it is putting levy invoicing for 2025/26 on hold (mean scores will still be published as normal).

This follows the introduction of the Pension Schemes Bill to Parliament. The Bill includes measures that amend the relevant sections of the Pensions Act 2004, which established the PPF and restricts how the levy can be calculated.

Currently, the levy cannot be increased by more than 25% of the previous year's levy estimate. The new provision restricts the Board from charging a levy that is more than the sum of the previous financial year's levy and 25% of the previous financial year's levy ceiling (£1.403bn for 2025/26).

The Pension Schemes Bill has completed its 2nd reading in the House of Commons and now proceeds to the Committee stage.



*Kate Jones, Chair of the
PPF*

Targeted Support consultation

The Pensions Regulator has urged trustees to respond to the FCA's consultation on Targeted Support (which closes on 29 August!). The proposals would allow regulated firms to make specific recommendations on pensions and investments for groups of consumers with common characteristics. These could include people who may be currently drawing down on their pension unsustainably, not saving enough for retirement or who have excess cash sitting in a current account.

Targeted support is a complimentary policy to Guided Retirement Options (another feature of the Pension Schemes Bill). Guided retirement will place duties on trustees of relevant schemes to provide default solutions for their members, unless the member chooses to opt-out. The default will provide an income in later life, including consideration for longevity protection – which could include CDC provision.

The consultation may be found here:

www.fca.org.uk/publications/consultation-papers/cp25-17-supporting-consumers-pensions-investment-decisions

Company news

Canadian investment group Brookfield, which recently entered the bulk purchase annuity market via their subsidiary Blumont Annuity Company UK Ltd, is set to acquire existing insurer Just Group for £2.4bn. Brookfield said that it planned to merge Just with Blumont, which would then operate under the Just brand.

Asset managers, M&G, Schrodgers and Hargreaves Lansdown, are reported to be considering whether to enter the master trust pensions market. A master trust is an occupational DC scheme used by multiple unconnected employers. The Pension Schemes Bill has proposed a minimum size for such schemes of £25bn.

The Rolls-Royce UK Pension Fund has completed a £4.3bn buy-in with Pension Insurance Corporation. The transaction covers the Fund's total remaining liabilities, comprising the pensions of 36,000 people - 15,000 pensioners and 21,000 deferred members.

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"We know trustees want to support members, but uncertainty around the advice boundary is a real barrier. Now's the time to share examples and help shape future rules"

*Patrick Coyne, Interim Director
of Pensions Reform, TPR*

