

MEDIA COMMENT FROM JOS VERMEULEN FOLLOWING ANNOUNCEMENT OF THE PENSION SCHEMES BILL ON 5 JUNE 2025

The Pension Schemes Bill introduces many changes for the benefit of the UK. While much attention will be paid to longer-term developments regarding individuals' pension pots and changes to LGPS funds, the largest impact in the near term is likely to come from legislation focused on corporate defined benefit (DB) pension scheme surplus release.

Jos Vermeulen, Head of Solution Design at Insight Investment, said:

The proposals for DB surplus release are a game-changer, offering clear and substantial benefits for trustees, sponsors, and the UK economy. This positive development will unlock significant financial resources for corporate sponsors, enable members to enjoy enhanced benefits, and crucially, provide ongoing support for the gilt market. Overall, it is set to drive long-term growth.

- *For corporate Britain, there's now clarity around the cash on the table – the government estimates this at £160 billion. The legislation allows surplus to be released from pension schemes fully funded on a low dependency basis, providing a meaningful financial boost.*
- *For members, it introduces the possibility of enhanced benefits and greater inflation protection.*
- *For the UK, the boost for corporates and members should be a clear positive for jobs and growth. It also means DB schemes are more likely to run on for the long term, avoiding gilt sales approaching half a trillion pounds or more due to buy-outs. The government can also expect to realise up to £40 billion in tax revenues.*

We encourage the government to review the benefits provided by the Pension Protection Fund (PPF). While DB schemes are generally very well funded and well managed, enhanced PPF benefits would resolve any remaining concerns around the security of pension scheme members' retirement income.

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