



The
Pensions
Regulator



Consultation draft:

A sustainable retirement income for all

Our Corporate Strategy 2026 to 2031

May 2026

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‘Our refreshed Corporate Strategy sets out how we will navigate the next five years... we will focus on successfully delivering reform and helping to shape a resilient and sustainable pensions system that is fit for the future – always with members’ outcomes in mind’.

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Introduction

Automatic enrolment has transformed retirement saving in the UK. With more than 23 million people now saving into a workplace pension, this is a major public policy success and provides a strong foundation for the future.

But the task ahead is to ensure that saving over a lifetime delivers what matters most: **a sustainable income in retirement**. People need confidence that their money is secure and delivers value at every stage, from joining a scheme through to retirement and beyond, whatever their circumstances.

Today, 14.6 million working-age people are not on track to have enough money to live off in retirement, according to government research. This is too high.

The current programme of reform reflects this challenge. The measures in the Pension Schemes Act 2026 will significantly reshape the market, making pensions simpler and more transparent, strengthening the focus on value and outcomes for members, while enabling the pension system to better support UK economic growth. A pensions system that delivers better outcomes for scheme members can also help to drive long-term prosperity.

Looking ahead, the Pensions Commission will make recommendations to government in 2027 that consider adequacy, fairness and sustainability, helping to guide the long-term future of the system out to 2050 and beyond.

Our refreshed Corporate Strategy sets out how we will navigate the next five years within this context. We will focus on successfully delivering reform and helping to shape a resilient and sustainable pensions system that is fit for the future – always with members’ outcomes in mind.

We protect workplace pension members’ money, enhance the pensions system, and support innovation and growth in members’ interests.

In 2021, our Corporate Strategy put the pension saver at the heart of all that we do. Today, we build on that commitment. We are taking a system-wide view, looking beyond the accumulation of savings in a pension pot, to the outcomes that people experience throughout retirement – whether their pensions are in defined benefit (DB) or defined contribution (DC) schemes. While we do not control every lever in the system, this lens will guide how we regulate and where we focus our efforts.

‘We will focus on successfully delivering reform and helping to shape a resilient and sustainable pensions system that is fit for the future – always with members’ outcomes in mind’.



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We are taking a more forward-looking, innovative and system-wide approach to regulation. Our engagement with the market is risk-led, expert and proportionate – all in service of driving better outcomes.

As the pensions market consolidates and evolves, our role is not simply to respond to change but to actively shape it. We will set clear direction, use our regulatory powers with intent, and influence how the market develops so that scale and innovation are harnessed in service of better member outcomes.

Where standards fall short or risks to members are high, we will act decisively. Our regulatory tools give us the ability – and the responsibility – to intervene early and firmly to protect people’s money.

As we enhance the pensions system, we will also take every opportunity to simplify how pensions are regulated, reducing unnecessary burden on schemes, providers and employers while strengthening the outcomes that matter for members.

We cannot achieve this alone. We will be outward facing and closely connected with others, in particular the Department for Work and Pensions (DWP) and the Financial Conduct Authority (FCA), who have key roles to play in delivering our vision. Through this collaboration, we will promote coherence across the pensions system so that scheme members receive the same high standards of governance, value and protection, whether their pension is trust- or contract-based.

Together, we will meet the challenge of our time: turning a savings system into a pensions system that provides DB members with the benefits that have been promised to them, and DC members a sustainable income throughout retirement.

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Our vision

People have a sustainable income in retirement, supported by a pensions system that provides security and value for all.

This vision guides how we will set priorities and direct our regulatory effort.

While we do not control every lever in the system, we will be an outward-facing regulator, closely connected to the wider ecosystem of government, partner regulators and industry whose collective action is essential to achieving it.



Taking a system-wide view

We will promote coherence across the pensions system so that expectations, protections and outcomes are consistent, regardless of the type of arrangement they are in. This will require continued close working with the DWP, FCA, and wider government to promote regulatory alignment, as seen in the Value for Money Framework and joint work on dashboards, small pots and consolidation.

Provision for financial security in later life must keep pace with a world that is changing rapidly and unpredictably. Not long after a global pandemic, in the face of geo-political instability, and at the beginnings of the revolutionary change that AI will no doubt bring, the value and security that pensions provide feels more important than ever.

Across the world, societies make this provision through a combination of state, workplace, and private pensions. Together, these three pillars are intended to deliver a core social good: that people can support themselves adequately in later life.

In the UK, more than 30 years of incremental reform and system evolution has sought to deliver on that social good, addressing the challenges and harnessing the opportunities of the time.

Government, regulators and the wider pensions sector have worked together to strengthen the resilience of the DB system. While most DB schemes are now closed and many are in long-term run-off, this collaboration has helped ensure that millions of members receive the pensions they have earned.

The pensions system has a new challenge

The workplace pensions system has evolved over decades to become more secure, increase participation, and offer more savings vehicles. We now see:

How the system has evolved

88%

DB schemes fully funded on a technical provisions basis

11 million

new savers thanks to automatic enrolment

1990s

Securing DB pensions ✓

2000s

Building participation ✓

2010s

Authorised Master Trust market ✓

The next chapter...

People have a sustainable income in retirement ✓

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Automatic enrolment has transformed workplace pension saving, making participation the norm. And the growth of a well-regulated DC master trust market – authorised and supervised by us – has safely accommodated the mass influx of new, automatically enrolled members.

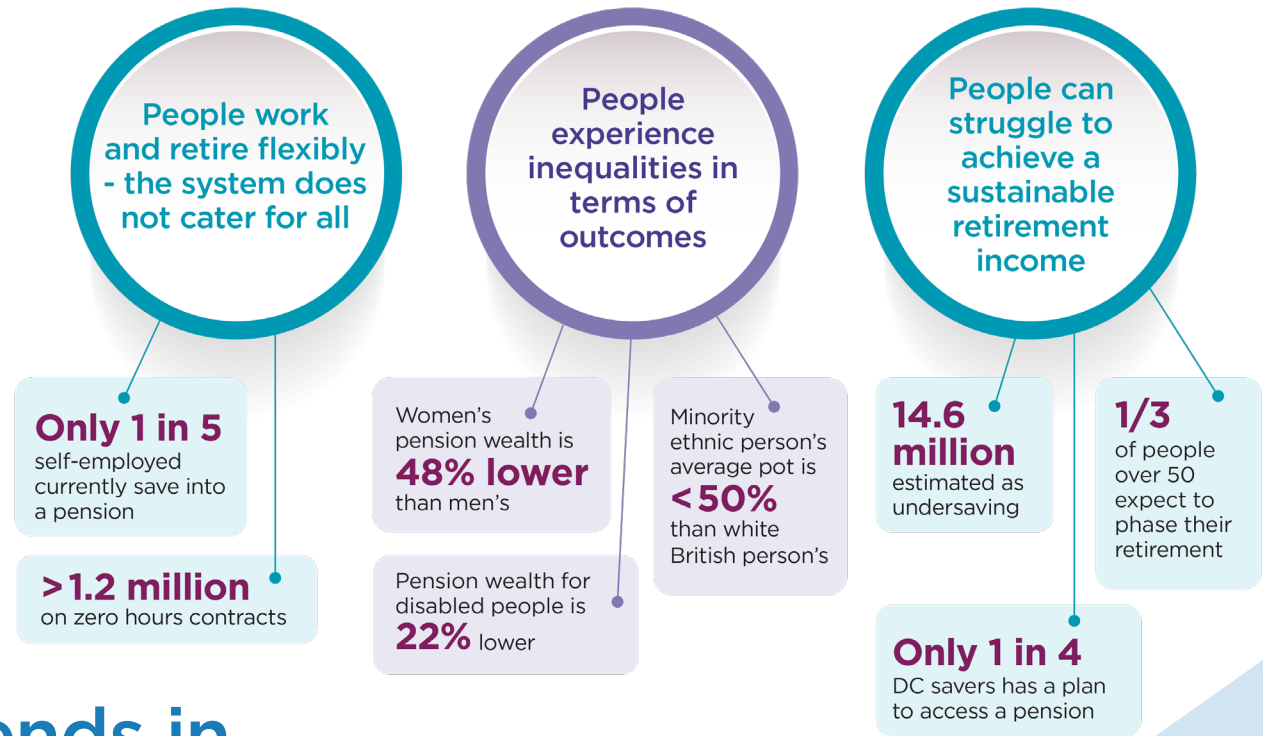
The introduction of the Triple Lock, and, in 2016, the new State Pension, has helped improve the foundation people receive from the State.

Workplace pensions are unique. Through pension schemes, government, businesses and all citizens have a shared stake in our economy and our society. A stake in investments that deliver returns that will help to meet the needs of people in later life, and support UK growth and prosperity at the same time.

Many pension funds will soon be at a size where, stewarded well, they can deliver not only sustainable incomes in retirement, but boost our collective long-term prosperity – becoming effective pools of capital which can unlock UK growth, fund vital infrastructure investment, and invest in the new technologies and systems needed for a net-zero transition.

Our job is to make the pensions system work for everyone, and this strategy sets out how we will seek to make this happen.

Fig 1: Pensions outcome gaps



Challenges and trends in the pensions landscape

Many people face persistent barriers to building secure retirements – from varying work patterns and low or irregular savings to unequal outcomes linked to factors such as gender, disability or ethnicity. For example, the gender pensions gap means that by mid-life, women have only around half of what their male peers have saved toward retirement.

At the same time, the system does not consistently support people to plan, adapt or make confident decisions as they move through increasingly flexible working lives and into retirement.



DC assets will soon overtake those held in DB schemes and is forecast to reach...

£2 trillion
within 20 years

Over the next decade the pensions landscape will look fundamentally different. DC assets will soon overtake those held in DB schemes and is forecast to reach £2 trillion within 20 years. This will be concentrated into a much smaller number of large, commercially run schemes, with the scale to invest in a wider range of assets with the aim of delivering better outcomes.

Alongside DC provision, the emergence of collective defined contribution (CDC) schemes offers a collective approach to delivering sustainable retirement income, providing members with new options that blend pooling, scale and long-term risk sharing.

DB by contrast will continue to reduce, with scheme numbers forecast to more than halve and assets to fall below those in DC for the first time. However, some large DB schemes are still open and there are many people with deferred DB pensions – this will be an important part of the landscape for many years.

At the same time, rapid advances in technology and AI – underpinned by a digitised ecosystem and tens of millions of dashboard-connected records – will reshape how schemes operate and people interact with their pensions.

Together, consolidation, commercialisation and technology will define the market of the 2030s, creating opportunities to improve outcomes but also new risks that demand stronger governance, greater expertise, and a more forward-looking regulatory approach.

Our strategic challenges

These trends show that the pensions system is being tested by a combination of structural and operational pressures, alongside rapid societal and technological change. As schemes grow and become more complex, governance models must evolve. Greater reliance on outsourced providers changes the nature of trusteeship and creates new oversight and operational resilience challenges across the market.

Trustees are considering a broader range of investments, which will require new capabilities and expertise. Through this they will need to appropriately balance liquidity, risk management and fiduciary duty.

In the DB landscape, as schemes mature and move into extended run-off, governance demands remain high. Trustees now face a wider set of choices including on surplus extraction, run on strategies and endgame planning – all of which require sustained focus and careful evaluation. For some schemes, DB superfunds will also form part of the endgame landscape, offering a potential route to long-term security where buy-out is not immediately achievable.

For members of DC schemes, the range of choices at retirement leaves too many exposed to drawdown risk, the potential tax consequences of full encashment, and poor retirement outcomes.

These challenges are sharpened by uneven integration of climate and ESG considerations, which can weaken long-term risk management, by the rapid advance of digital and AI capabilities outpacing data quality and governance, and by growing concentration in a small number of large providers that may increase systemic and operational risks. Recognising and addressing these challenges must be at the forefront of our regulatory work – and achievement of the outcomes we seek.



‘Recognising and addressing these challenges must be at the forefront of our regulatory work – and achievement of the outcomes we seek’.

The reform agenda ahead

The pensions reform agenda, led by the DWP and delivered in partnership with TPR and the FCA, represents one of the most significant transformations of the system in generations.

Taken together, the reforms seek to improve outcomes for members by driving higher standards of governance, greater scale, stronger value for money and more effective retirement income provision. The DWP has committed to updating the existing published roadmap in the near future. The agenda brings together a large, interdependent set of legislative and regulatory changes across all scheme types.

There are multiple routes to implementation and options in how the reforms take shape and translate into how we and the market both operate. While our strategy provides the guiderails for these choices, getting it right will depend on effective partnership with government, industry and other regulators.

Timely and co-ordinated delivery is critical to give employers, providers and schemes clarity and certainty and improve member experience and outcomes.

‘Taken together, the reforms seek to improve outcomes for members by driving higher standards of governance, greater scale, stronger value for money and more effective retirement income provision’.



Our mission is to protect workplace pension members' money, enhance the pensions system, and support innovation and growth in members' interests.



Our mission

We are the regulator of UK workplace pensions. We make sure employers, trustees, pension specialists and business advisers can fulfil their duties to scheme members. Our statutory objectives require us to:

- make sure employers put their staff into a pension scheme and pay money into it
- protect people's pension savings
- improve the way that workplace pension schemes are run
- reduce the risk of pension schemes ending up in the Pension Protection Fund
- make sure employers balance the needs of the DB pension scheme with growing their business

At the very heart of an ecosystem of government, regulators and industry, we will use our position to drive forward our vision that everyone has a sustainable income in retirement.

Protecting workplace pension members' money

People expect their pensions to be secure. We are further strengthening our risk-based approach to anticipate and address threats not just at scheme level, but across the whole market.

Our external risk framework gives us earlier visibility of emerging issues and enables a more proactive and system-wide view of resilience. It provides a focus on those systemic risks that cause harm to members and helps us better target mitigations in a fast-evolving pensions marketplace.

We will guide DB schemes towards long-term security by supporting strong funding strategies and effective planning for their chosen endgame. Our oversight of DB superfunds will ensure that consolidators operate to high standards of governance, capital adequacy, and member protection.

We will continue to maintain high levels of compliance with automatic enrolment and ensure that contributions are paid in full and on time while reducing unnecessary burden for employers and schemes.

We will also work closely with our partners and industry to prevent and tackle pension scams and fraud, strengthen cyber resilience, and protect people from online and financial harm.

We will use the full range of our regulatory and enforcement powers – acting early, decisively and proportionately – where we see risks that could harm members or undermine confidence in the pensions system.



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Enhancing the pensions system

Workplace pensions must deliver value, security and good outcomes throughout the savings journey and into retirement. Our regulatory focus will ensure that reform translates into meaningful improvements for members.

Working with the DWP and the FCA, we will shape and embed a consistent, outcomes-focused framework for value for money: one that improves transparency, strengthens investment governance, and supports a market of fewer, larger, well-run schemes.

We will use the Value for Money Framework as a market shaping tool: raising standards, identifying where schemes fall short, and accelerating consolidation or exit where required to protect members' interests. We will continue to raise governance standards by increasing our oversight of key actors in the system, including professional services providers such as administrators and trustee firms, and by promoting higher standards of professional capability and stewardship.

Across all schemes, we will encourage governance that can respond to a rapidly changing and increasingly complex landscape and support members throughout accumulation and into and through retirement.

We expect trustees to design, monitor and actively improve pension benefit strategies in line with member outcomes, particularly the delivery of sustainable retirement income.

‘Our regulatory focus will ensure that reform translates into meaningful improvements for members’.

Supporting innovation and growth in members' interests

The pensions system must continually evolve to meet people's changing needs. Innovation – in products, data, technology, investment and service design – will be central to increasing confidence in retirement choices and delivering better long-term outcomes. That is why we will actively support and steer safe innovation in members' interests.

In the coming years, we are likely to see extraordinary strides forward in technology, particularly AI. We will seek to put the data building blocks in place for effective AI adoption and foster responsible innovation in the market.

Through early engagement and close collaboration with industry and regulators, we will help innovators navigate regulatory expectations and bring new solutions to market safely and responsibly.

We will help schemes strengthen the link between investment decisions and member outcomes, including approaches that contribute to sustainable long-term growth in the UK economy.

We will use our supervisory and regulatory tools to encourage high quality retirement options, promote better at-retirement decision-making, and support the development of collective and pooled models. This includes ensuring CDC schemes are a well-governed collective option that can help deliver sustainable retirement incomes.

Across all this work, we will ensure that innovation is matched with clear expectations, strong governance, and protections that maintain trust and security for members.



‘We will actively support and steer safe innovation in members' interests.’

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The outcomes we seek



We have set six member and market outcomes to guide all that we do, allowing us to define success and shape how we work. Our annually updated Corporate Plan will set out our priorities for the coming period and how we will measure the impact of our work on the outcomes we seek.

Member outcomes

Savings are secure

Workplace pension members' benefits are secure and delivered as promised.

Better value

Workplace pension members benefit from investments and services that deliver long-term value and support a sustainable income in retirement.

Pensions are fair

People have fair access and opportunity across the workplace pensions system.

The member outcomes are enabled by a healthy, high-quality, and end-to-end pensions market – the focus of our regulatory work.



Market outcomes

Well-run schemes

Effective scheme governance and administration by independent, forward-looking and highly skilled trustees and scheme managers.

A sustainable and resilient market

A resilient, financially secure pensions system that supports UK growth and operates efficiently.

A seamless and integrated system

An end-to-end journey – from joining a scheme to taking an income in retirement, with innovative products and services connected to how people live their lives.



Our approach

The way we regulate determines our success.

Trustees, with their independent fiduciary responsibilities, must secure the best long-term outcomes for their members. They carry a significant responsibility: governing the retirement outcomes of generations. Our regulatory approach must enable and support them in that task.

We take a broad, long-term view – looking 20, 30 or 40 years ahead – scrutinising risk, resilience and sustainability across the system.

How the market will experience us

We set a clear direction and work with the market to deliver the best outcomes for members. This means being:

Open and engaged

We have a deep understanding of the system we regulate. Where we see risks or opportunities, we are open about what we think and why, and work with the market and government to find practical, outcome-focused ways forward.

We are approachable and open to early engagement on new ideas or where issues are emerging – and always predictable in our risk tolerances and how we will apply our regulatory levers.

Outcome-focused and proportionate

We are clear about the long-term outcomes we are working towards and why they matter. We set transparent expectations, so the market understands how to respond and how its actions contribute to better outcomes.

With a focus on where risks to members or the system are greatest – and recognising where standards are already high – we act consistently and proportionately, while reducing unnecessary burden wherever we can.

How we work

To deliver our strategy, we are forward-looking and focused on the most significant harms and opportunities, guided by our vision. This means:

We focus on impact

We use our forward-looking view of the landscape to define clear, measurable goals. This keeps us focused on the most significant harms and opportunities and ensures we act decisively.

We collaborate across the system

We look across the entire pensions system not just at individual parts or players. Achieving the outcomes we seek depends on contributions from a wide range of stakeholders, and we collaborate to progress our vision of people having a sustainable retirement income.

We innovate and adapt

We draw on multi-disciplinary expertise to tackle complex problems. By embracing technology, data, AI and automation, we can redeploy our resources and enhance our ways of working to be efficient and effective and deliver the greatest impact.

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What this way of working means

We are taking a broader, more holistic view of pensions. Using rich data and sophisticated analytical tools gives us earlier insight and helps us anticipate risks. This allows us to engage more quickly and proactively on issues that matter – and we are transparent and predictable in our actions.

We will build secure, resilient and easy to use systems. By harnessing data and technology, interactions with us will become less burdensome and more valuable.

Moving to API-enabled data collection, common digital components and timely, decision-useful data will allow more efficient data exchange with market participants and give us the insights required to regulate effectively. This modernisation will free trustee time, improve governance and target regulatory effort where the greatest risks and opportunities lie.

To provide clarity and certainty to the marketplace, we will set out our approaches to key areas of focus in public documents at regular intervals. These will include:

- **Governance, including trusteeship and administration** – to raise standards, support truly independent trustees, and treat administration as a strategic function.
- **Enforcement** – to act early and swiftly, focusing on the harms that matter most and acting where it counts to protect members.
- **Modernising data collection** – to help make pensions digital and reduce burden, raise standards and support innovation.
- **Artificial intelligence** – to unlock the power of AI in pensions, safely and in members' interests.
- **Climate change and systemic risk management** – to strengthen risk aware decisions for a resilient pensions market.



‘...we are transparent and predictable in our actions’.

‘At the very heart of an ecosystem of government, regulators and industry, we will use our position to drive forward our vision that everyone has a sustainable income in retirement’.

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Pensions education portal