



# Hot topics in pensions

Summer 2026

In our summer “Hot topics in pensions”, we celebrate the tradition and history of the great British seaside. In the Victorian era, the newly established railway system allowed easier access to seaside resorts, and the salt water was believed to have health benefits. The popularity of resorts increased following the Holidays With Pay Act of 1938, which gave entitlement to paid holidays for the working classes. We share some seaside trivia with you as we promenade through the top 10 pensions topics for your trustee or corporate agenda.



## Out of coins? The pension savings challenge

Penny arcades have been a source of seaside fun since the early 1900s, tempting players to drop in coin after coin. Yet when it comes to pensions, around four in 10 people are not putting enough pennies into their retirement savings pot. The government established the second pension commission to explore a new pensions settlement, and its [interim report](#) has now been issued considering the economic, demographical and societal changes since the first pension commission was appointed in 2002. Views are invited to inform the final recommendations, which are due to be made to the government in spring 2027.



## The bright lights of the Pension Schemes Act 2026 (PSA26)

Over one million light bulbs are used annually in Blackpool’s “greatest free light show on Earth”. The PSA26 came into law on 29 April 2026, providing a spectacular variety show of its own. The release of surplus provisions is likely to shine bright for employers of defined benefit (DB) schemes. Trustees of schemes that are considering endgame planning might find the superfund sections illuminating. While the PSA26 provides a structure as impressive as Blackpool Tower, most measures require supplementary regulations before they are fully switched on. Our [short-form publication](#) and [long-form publication](#) provide excellent holiday reading.



## Virgin Media: The woolly mammoth in the room

The Jurassic Coastline in Dorset is a world heritage site, home to many fossils including those of dinosaurs. This dangerous coastline is also home to several shipwrecks. The [Virgin Media case](#) had the feel of an ancient relic combined with a shipwreck waiting to happen for many in the pensions industry. The PSA26, however, provides hidden treasure for some impacted schemes. Conditions apply but, in many circumstances, it will be possible to treat an otherwise invalid amendment as always having been valid. The Financial Reporting Council has published [final guidance](#) for actuaries. The Pensions Regulator (TPR) has published [guidance](#) for trustees. Trustees of schemes in scope may want to dig up those pre-historic documents and take advice on next steps.



### Next step: October 2026

Since 1875, the Scarborough funicular has carried holiday makers from the cliff tops down to the shore. Pensions dashboards have had a similar journey, marked by climbs, pauses and the occasional jolt. With the 31 October 2026 connection deadline steadily approaching, TPR is shifting gears by turning its attention to DB and hybrid pension schemes with a new regulatory initiative focusing on value data. TPR has also updated its [dashboards guidance](#) and its [breaches of the law guidance](#) – failure to get on board and connect by the legal deadline will be a red breach.



### Time, tides and inheritance tax (IHT)

Seaham beach is a hot spot for sea glass collectors, searching for fragments of waste glass dumped into the North Sea by a nearby factory over 150 years ago. There is considerably less time for the rough edges to be smoothed off HM Revenue and Customs' (HMRC) plans to include most unused pension funds and death benefits within the IHT regime from 6 April 2027. A [technical note](#) and [draft regulations](#) bring more transparency to how the new rules will operate, including when pension scheme trustees will be required to withhold up to half of a beneficiary's benefit entitlements (in case the funds are needed to pay IHT), or to pay IHT direct.



### Can you guess the identity of the UK's first holiday camp?

The UK's first holiday camp providing board, food and fun was established in Skegness in 1936. Publicly available information makes it easy to identify the brand and its ownership, unlike that of some UK corporates. No longer entertaining this lack of transparency, the UK government introduced [legislation](#), which requires action by directors of trustee companies. Trustee directors must [verify their identity](#) with Companies House before the trustee company's next confirmation statement is due, otherwise they risk prosecution and financial penalties. Happy campers can check the deadline for verifying their identity by searching against their name at [Companies House](#).



### All the twists and turns of the local government pension scheme (LGPS)

While the first iteration of the LGPS was in 1922, it is not quite as old as Margate's grade II listed scenic railway wooden roller coaster, which opened in 1920 and sadly closed in 2026. Unusually, the rollercoaster required a brakeman to travel with it and apply the brakes. The government's "fit for the future" reforms have proved to be its own rollercoaster of a ride (no brakes applied). It is now on its final run, with publication of the [outcome of technical consultation](#) alongside accompanying regulations relating to [governance](#) and [pooling](#) in force from 30 June 2026. The regulations provide the detail for the framework contained in the PSA26, including strengthening governance arrangements, along with a twist that government can mandate participation in a particular pool (or even a fund merger) and pools must have capacity to loop in local investments.



### Holiday contingency plans

The King Charles III England Coastal Path was [launched](#) in March this year, and is the longest managed coastal walking route in the world. Before pension scheme trustees switch off and hit the trail (or other adventures) over the summer period, they should check that their pension scheme's procedures and contingency plans will operate effectively when they, and other key individuals, are out of the office. For example, if a data breach event occurs over a bank holiday weekend, will the systems for tackling it and meeting data protection legislation requirements still function? TPR expects trustees to have [effective systems of governance](#) and internal controls in place, and these mechanisms are not allowed to take a holiday!



### Reaching the heights of artificial intelligence (AI)

On a clear day, the White Cliffs of Dover standing at 110 metres high are visible from France. Did you know that a series of Napoleonic tunnels through the cliffs were expanded during the second world war to provide space for bunk beds, a hospital and a secure store? Similarly, AI is hiding in plain sight. It is a topic high up most agendas. TPR has published its [AI plan](#), with guidance to follow in the summer. Much like the former lighthouse on top of the White Cliffs, TPR's plan shines a beacon on the risks and benefits of using AI and includes a chalkboard of expectations for trustees, administrators and scheme managers, particularly around good governance and data use and quality.



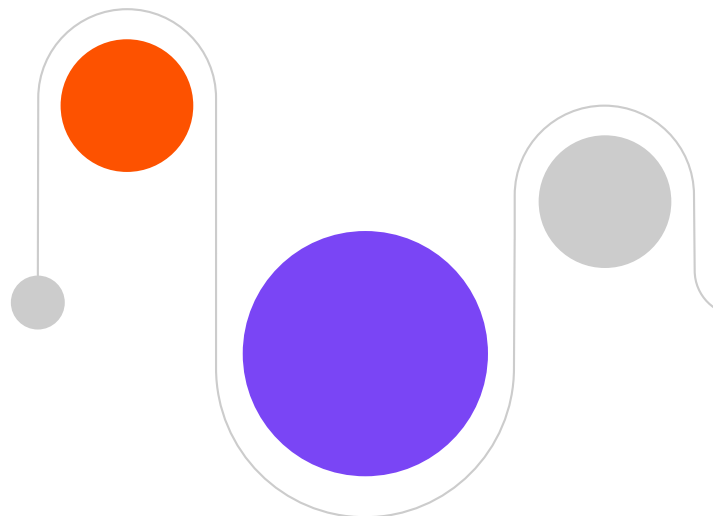
### Pensions developments on the horizon

Southend Pier first opened in 1830, and is now the world's longest pleasure pier at 1.33 miles long. The pier's railway line transports holidaymakers to the pier head, to take in the sea views and sunset horizons. On a different type of horizon, there are pensions developments as far as the eye can see. The outcome of [consultation on pension scheme trusteeship, governance and administration](#) is expected soon. Likewise, the government is expected to consult on strengthening transfer legislation soon, while consultations on regulations for guided retirement and superfunds are timed for the summer period. Watch out for waves when the government provides draft guidance on trustees' fiduciary duties over the next few months.



**Matthew Giles**  
Partner  
Birmingham  
T +44 121 222 3296  
[matthew.giles@squirepb.com](mailto:matthew.giles@squirepb.com)

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