

# Pension Schemes Bill

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## RUNNING LIST OF ALL AMENDMENTS ON REPORT

*Tabled up to and including  
24 February 2026*

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*[Amendments marked ★ are new or have been altered]*

### After Clause 7

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

- ★ After Clause 7, insert the following new Clause –
- “Benchmarking of Local Government Pension Scheme liabilities**
- (1) For each actuarial valuation relating to a scheme for local government workers which has pension funds, an administering authority must obtain and publish –
    - (a) the primary valuation used for funding purposes, and
    - (b) one or more benchmark valuations of scheme liabilities based on –
      - (i) prevailing bulk annuity pricing, and
      - (ii) a gilt-based discount rate.
  - (2) The valuations published under subsection (1) must be published at the same time as the funding strategy statement, and alongside the employer contribution rates arising from the funding valuation.
  - (3) Where the funding valuation is materially more prudent than the benchmark valuations, the administering authority must publish a statement explaining –
    - (a) the risks being guarded against,
    - (b) why those risks justify a higher degree of prudence than that reflected in insurer pricing, and
    - (c) the impact on employer contribution rates.
  - (4) The funding strategy statement must include appendices explaining the valuation assumptions, benchmarks, and their effect on contribution rates in a form that is reasonably accessible to a person who is not a qualified actuary.

- (5) The statement must be communicated to the relevant local authority and made publicly available.
- (6) The documents published under this section must be made available in a manner that enables meaningful consultation by scheme employers and scheme members.
- (7) In this section –
  - “administering authority” has the same meaning as in Regulation 2 of the Local Government Pension Scheme Regulations 2013 (S.I. 2013/2356)
  - “funding strategy statement” has the same meaning as in Regulation 58 of the Local Government Pension Scheme Regulations 2013 (S.I. 2013/2356)”

***Member's explanatory statement***

*This amendment requires Local Government Pension Scheme valuations to be benchmarked against insurer pricing and gilt-based discount rates, with explanations where significantly greater prudence is applied. It also requires those benchmarks, the funding strategy statement, and employer contribution rates to be published together, with accessible explanatory material to support meaningful consultation.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

★ After Clause 7, insert the following new Clause –

**“Review of the cost and sustainability of the Local Government Pension Scheme**

- (1) The Secretary of State must conduct a review of the long-term cost and sustainability of the Local Government Pension Scheme.
- (2) The review must give particular consideration to admitted bodies, including housing associations.
- (3) The review must include information on –
  - (a) the number of admitted bodies leaving the Scheme in each year,
  - (b) the reasons given for such bodies leaving the Scheme, and the extent to which those reasons relate to the cost of participation for employers,
  - (c) any decisions relating to the pooling of Scheme assets, and the impact of those decisions on costs borne by Scheme employers,
  - (d) any changes to where responsibility for investment decision-making lies, and the effect of those changes on employer contribution rates and funding costs, and
  - (e) whether, and to what extent, the provisions of this Act have improved the cost and sustainability of the Scheme for employers.
- (4) A report must be laid before Parliament within 12 months of the day on which this Act is passed.”

***Member's explanatory statement***

*This amendment requires the Government to review the long-term cost and sustainability of the Local Government Pension Scheme, with particular consideration given to admitted bodies such as housing associations. It also requires the review to publish information on admitted bodies*

*leaving the Scheme, decisions on pooling and investment governance, and whether the reforms in this Act have improved the Scheme's cost and sustainability.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

★ After Clause 7, insert the following new Clause –

**“Independent inquiry into actuarial methodology and oversight of Local Government Pension Scheme valuations**

- (1) The Secretary of State must appoint an independent person or body to conduct an inquiry into the actuarial methodologies used in valuations of the Local Government Pension Scheme.
- (2) The inquiry must, in particular, consider –
  - (a) the actuarial assumptions and methodologies used by Scheme actuaries in assessing liabilities,
  - (b) the extent to which those methodologies apply a level of prudence in excess of that implied by gilt-based discount rates,
  - (c) the reasons given for applying such additional prudence, and
  - (d) the impact of those approaches on employer contribution rates and the long-term cost of participation in the Scheme.
- (3) Where a local government reorganisation takes place and assets and liabilities of the Scheme are apportioned or transferred, an independent assessment must be obtained of –
  - (a) the basis on which assets and liabilities are allocated,
  - (b) the consistency and fairness of that allocation between affected funds and employers, and
  - (c) the implications of the allocation for future employer contribution rates.
- (4) The purpose of the independent assessment under subsection (3) is to provide oversight of the valuation and apportionment process, including the role of the administering authority and its actuary.
- (5) A report of the inquiry, including findings and any recommendations, must be laid before Parliament within 12 months of the day on which this Act is passed.”

***Member's explanatory statement***

*This amendment requires the Government to establish an independent inquiry into the actuarial methodologies used in Local Government Pension Scheme valuations, including the application of prudence beyond gilt-based valuation and the impact on employer costs. It also requires independent assessment and oversight of the allocation of assets and liabilities following local government reorganisation, to ensure consistency, fairness, and transparency across funds.*

**After Clause 19**

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

★ After Clause 19, insert the following new Clause –

**“Duty to formalise the Value for Money framework**

- (1) The Secretary of State must, within 12 months of the day on which this Act is passed, lay before Parliament regulations establishing the Value for Money (“VFM”) framework for relevant pension schemes.
- (2) The regulations laid under subsection (1) must set out –
  - (a) how relevant pension schemes will be assessed under the VFM framework;
  - (b) the standards and requirements that relevant pension schemes must comply with, including but not limited to –
    - (i) performance reporting,
    - (ii) disclosure of fees and costs,
    - (iii) risk management and service quality metrics, and
    - (iv) governance and stewardship expectations;
  - (c) the processes by which schemes will be held to account, including circumstances in which the regulator may intervene where schemes fail to demonstrate value for money;
  - (d) the consequences for relevant pension schemes that fail to meet the standards set by the VFM framework.
- (3) Before making regulations under this section, the Secretary of State must consult such persons they consider appropriate and lay a statement before Parliament on the outcome of such consultation.
- (4) Regulations under this section are subject to the affirmative procedure.
- (5) For the purposes of this section, “relevant pension schemes” has the meaning given in section 10.”

***Member’s explanatory statement***

*This amendment seeks to formalise the Value for Money framework within 12 months of the day on which this Act is passed.*

**Clause 40**

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT

★ Clause 40, page 38, line 34, at end insert –

- “(c) able to demonstrate that they deliver investment performance which exceeds that achieved by the average of all Master Trusts which hold

an approval under section 28A in respect of a main scale default arrangement.”

***Member's explanatory statement***

*This amendment allows Master Trusts which deliver good investment performance to be excluded from the scale requirements.*

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 40, line 2, at end insert “or are able to demonstrate that they deliver investment performance which exceeds that achieved by the average of all group personal pension schemes which hold an approval under section 28B in respect of a main scale default arrangement”

***Member's explanatory statement***

*This amendment allows group personal pension plans which deliver good investment performance to be excluded from the scale requirements.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 40, line 40, at end insert –  
“(aa) the RMT meets the innovation exemption requirement, and”

***Member's explanatory statement***

*This amendment provides that a Master Trust is not required to meet the scale requirement under section 28B where it meets an innovation exemption, recognising that some smaller schemes deliver specialist or innovative pension services that may not depend on scale.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 45, line 43, at end insert –  
“(2A) The percentages prescribed under subsection (2) may not –  
(a) exceed a total of 10% of the assets by reference to which the percentage is prescribed, and  
(b) for a geographical location, exceed a total of 5% of the assets by reference to which the percentage is prescribed.”

***Member's explanatory statement***

*This amendment seeks introduce a cap to the mandatory asset allocation at (1) 10% of the assets, and (2) 5% of the assets in a geographical location (such as the UK).*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 46, line 1, leave out “made after 31 December 2035” and insert “can only be made before 31 December 2032, and”

***Member's explanatory statement***

*This amendment seeks to bring forward the latest date to make regulations under inserted section 28C which could increase the prescribed percentage.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 46, line 1, leave out “2035” and insert “2030”

***Member's explanatory statement***

*This amendment brings forward by five years the date after which regulations may not increase the prescribed percentage of assets required to be held in qualifying assets for default funds.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 46, line 2, at end insert –

“(3A) Regulations under subsection (1) may only be made for the purpose of ensuring effective operation of the money purchase pensions market, and where there is evidence that market conditions are preventing money purchase scheme providers from investing in a way that secures optimal value for scheme members.

(3B) Regulations under subsection (1) may only be made once the Secretary of State has provided a report on the likely impact of the regulations on effective operation of the money purchase pensions market.”

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 48, line 19, at end insert –

“(16) This section is repealed on 31 December 2035.”

***Member's explanatory statement***

*This amendment provides that the statutory power to impose asset allocation requirements on default pension funds under section 28C of the Pensions Act 2008 expires on 31 December 2035, so that the power, and any targets or requirements made under it, no longer have effect unless renewed by further primary legislation.*

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 50, line 8, at end insert “or to deliver investment performance which exceeds that achieved by the average of schemes which meet those scale requirements”

***Member's explanatory statement***

*This amendment allows pension schemes which could deliver good investment performance to be included within the new entrant pathway relief.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 53, line 35, at end of line insert –
- “(ba) the extent to which mandated investment requirements risk becoming misaligned with prevailing economic conditions or market realities;
  - (bb) whether the timing and rigidity of any mandated investment allocations may reduce their effectiveness in supporting economic or fiscal objectives;
  - (bc) the risk of asset price inflation, market distortion, or crowding effects arising from multiple schemes being required to invest in the same asset classes;
  - (bd) whether mandated investment signals could lead to speculative behaviour or unintended amplification of asset price movements;”

***Member's explanatory statement***

*This amendment ensures the review considers whether mandated investment requirements risk becoming misaligned with economic conditions and whether directing multiple schemes into the same assets could cause market distortion or asset price inflation.*

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT

- ★ Clause 40, page 54, line 16, after “regulations)” insert –
- “(a) after subsection 1, insert –
  - “(1A) In making regulations under section 20(1A), 20(1C), 26(7A), 26(7B), 28A, 28B, 28E, 28F and 28J the Secretary of State must have regard to –
  - (a) the encouragement of innovation in the design and operation of pension schemes, and
  - (b) the benefits of competition among providers of pension schemes.”;

***Member's explanatory statement***

*This amendment would require regulations concerning the operation of the scale provisions in clause 40 to have regard to innovation and competition.*

**Clause 43**

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT

★ Clause 43, page 57, line 18, at end insert –

“(aa) the extent to which non-scale default arrangements contribute to innovation in the design and operation of pension schemes and to competition among providers of pension schemes;”

***Member's explanatory statement***

*This amendment would ensure that the review required by Clause 43 considers the impact of non-scale default arrangements and their contribution to innovation and competition.*

**After Clause 44**

BARONESS NOAKES  
BARONESS STEDMAN-SCOTT

★ After Clause 44, insert the following new Clause –

**“Innovation and competition**

In making regulations under sections 42 and 44 the appropriate authority must have regard to –

- (a) the encouragement of innovation in the design and operation of pension schemes, and
- (b) the benefits of competition among providers of pension schemes”

***Member's explanatory statement***

*This amendment would require regulations dealing with non-scale default arrangements to have regard to innovation and competition.*

**After Clause 117**

BARONESS NEVILLE-ROLFE  
LORD MOYNIHAN OF CHELSEA  
BARONESS NOAKES

★ After Clause 117, insert the following new Clause –

**“Review of public service pension schemes**

- (1) The Secretary of State must, within 12 months of the day on which this Act is passed, conduct and publish a review of the long-term affordability, intergenerational fairness, fiscal sustainability, and accounting treatment of public service pension schemes.
- (2) In conducting the review under subsection (1), the Secretary of State must have regard to –

- (a) the current and projected cost to the Exchequer of such schemes,
  - (b) their affordability in the context of long-term public finances,
  - (c) the impact of such schemes on different generations of taxpayers and scheme members,
  - (d) the implications of demographic change, including longevity and workforce participation, for the sustainability of such schemes, and
  - (e) the manner in which the liabilities associated with such schemes are recorded, disclosed, and accounted for within the public sector balance sheet and related fiscal reporting frameworks.
- (3) In preparing the review, the Secretary of State must consult –
- (a) the Office for Budget Responsibility,
  - (b) the National Audit Office,
  - (c) His Majesty’s Treasury, and
  - (d) such other persons or bodies as the Secretary of State considers appropriate.
- (4) The schemes to which subsection (1) applies are –
- (a) the NHS Pension Scheme,
  - (b) the Teachers’ Pension Scheme,
  - (c) the Civil Service Pension Scheme,
  - (d) the Armed Forces Pension Scheme,
  - (e) the Police Pension Scheme,
  - (f) the Firefighters’ Pension Scheme, and
  - (g) any other public service pension scheme designated by the Treasury by regulations as operating on an unfunded or pay-as-you-go basis.
- (5) The review must be laid before both Houses of Parliament.
- (6) Nothing in this section affects any pension entitlement accrued in respect of service.”

***Member’s explanatory statement***

*This new clause would require the Secretary of State to conduct and publish a review of the long-term affordability, intergenerational fairness, fiscal sustainability, and accounting treatment of public service pension schemes.*

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

★ After Clause 117, insert the following new Clause –

**“Review of impact of this Act on retirement incomes**

- (1) The Secretary of State must, within five years of the day on which this Act is passed, carry out a review of the impact of the provisions of this Act on actual and projected retirement incomes.
- (2) Further reviews must be carried out at intervals of not more than five years thereafter.

- (3) Each review must consider –
  - (a) the impact of the provisions of this Act on actual and projected retirement incomes, and
  - (b) whether additional measures are required to ensure that pension scheme members receive an adequate income in retirement.
- (4) The Secretary of State must prepare a report of each review and lay a copy of that report before Parliament.”

VISCOUNT YOUNGER OF LECKIE  
BARONESS STEDMAN-SCOTT

★ After Clause 117, insert the following new Clause –

**“Review of barriers to UK investment by pension and investment funds**

- (1) Within three months of the day on which this Act is passed, the Secretary of State must launch a review into barriers preventing pension and investment funds from investing in the United Kingdom.
- (2) The review must consider –
  - (a) fixed and regulatory costs of investing in the UK;
  - (b) the UK tax regime;
  - (c) legal and fiduciary constraints.
- (3) The Secretary of State must consult –
  - (a) investment managers;
  - (b) pension providers;
  - (c) pension lawyers;
  - (d) insurers operating in the pensions market;
  - (e) such other persons as the Secretary of State considers appropriate.
- (4) A report must be laid before Parliament within nine months of the day on which the review begins.”

***Member's explanatory statement***

*This amendment requires the Government to review barriers that may prevent pension and investment funds from investing in the United Kingdom, including regulatory, tax, and fiduciary constraints, and to report its findings to Parliament.*



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