Linklaters

OCTOBER | **2026**

Pensions in five: **Pension developments this month**

Click here to download the mobile friendly PDF

Small pots

The Government has published a consultation on proposals for the implementation of automatic consolidation of dormant small defined contribution (DC) pots through the establishment of consolidator schemes. The Pension Schemes Act 2026 includes a framework for the implementation of a "multiple default consolidator" solution, which will involve eligible small pots (initially those valued at £1,000 or less) held by auto-enrolment schemes being automatically transferred into a limited number of consolidator schemes. The Government is now consulting on proposals for secondary legislation to support the operation of the regime.

The consultation covers:

- eligibility criteria, including the types of schemes that will be in scope, the approach to pots that include guarantees or protections, and how trustees will be able to exercise discretion;
- the information that will need to be provided to members to explain the consolidation process and the options available to them, including the right to opt out or choose an alternative consolidator;
- the standards required to be met for a scheme to act as a consolidator and the potential interventions required if standards are no longer met;
- the proposed infrastructure and data requirements to support the consolidation of small pots; and
- the proposed new requirement for employers to provide information to schemes in respect of their employees.

The consultation closes on 17 November 2026, and responses will inform the development of draft regulations, which will be published next year alongside the Government's response. The intention is to have small pot consolidation operational from 2030.

GMP fixed rate revaluation

The Government has published a consultation on the proposed continuation of 3.25% per annum as the rate of revaluation applied to fixed rate revaluation of GMPs for early leavers. This rate would apply to members of formerly contracted-out schemes who leave pensionable service in the period 6 April 2027 to 5 April 2032.

The consultation closes on 29 October 2026.

Auto-enrolment

The Work and Pensions Committee has launched an inquiry into auto-enrolment. The inquiry is asking for evidence on the extent to which minimum auto-enrolment contributions need to increase, how any contribution increase should be shared between employers and employees, and what would be an appropriate timetable for any increases. The inquiry will also consider whether there is a case for reducing or removing the lower earnings limit on contributions or the earnings trigger for auto-enrolment.

The call for evidence closes on 26 October 2026.



Inheritance tax on pensions

HMRC has published a second technical note on the inheritance tax (IHT) changes coming into force on 6 April 2027, which aims to put the new information sharing requirements into context and provide further clarity. HMRC is preparing guidance to assist in evidencing a personal representative's authority and identity, and a draft copy is in Annex A. HMRC has also provided draft standard templates for withholding notices and payment notices.

HMRC plans to publish a third technical note this autumn, which is expected to cover international issues, the interaction of IHT with income tax, further guidance on intestacy, and clarification of matters relating to charities and trusts, among other topics.

You can read more about some of the practical issues arising from the forthcoming IHT changes in our latest blog post.

GMP conversion

The Government has published a consultation on draft regulations to be made under the Pension Schemes (Conversion of Guaranteed Minimum Pensions) Act 2022. The draft regulations:

- set out the conditions that must be met in relation to survivors' benefits under GMP conversion;
- provide that those who must consent to GMP conversion are the statutory employers for the purposes of the scheme funding requirements; and
- introduce a new procedure for certifying actuarial equivalence in the case of GMP conversions which relate to a single individual.

The consultation closes on 29 October 2026. The intention is that the regulations will only apply to GMP conversions undertaken after the regulations came into effect.

Enforcement strategy

The Pensions Regulator has published a response to its consultation on a proposed new version of its enforcement strategy, as well as its final enforcement approach. The Regulator says that its new approach sets out a high-level, principles-based framework that will allow it to respond to risks faster and act earlier to prevent harm.

The intention is that detailed requirements and scheme-specific expectations will sit in the Regulator's underlying enforcement policies and guidance, which it intends to review and develop as the Pension Schemes Act 2026 and underlying regulations come into force.

Contacts

Philip Goss
philip.goss@linklaters.com

Rosalind Knowles
rosalind.knowles@linklaters.com

John Sheppard
john.sheppard@linklaters.com

Sarah Parkin
sarah.parkin@linklaters.com

Alasdair Smith
alasdair.smith@linklaters.com

linklaters.com

This content is intended merely to highlight issues and not to be comprehensive, nor to provide legal advice. Should you have any questions on issues reported here, please get in touch. © 2026 Linklaters.

Linklaters LLP is a limited liability partnership registered in England and Wales with registered number OC326345. It is a law firm authorised and regulated by the Solicitors Regulation Authority. The term partner in relation to Linklaters LLP is used to refer to a member of the LLP or an employee or consultant of Linklaters LLP or any of its affiliated firms or entities with equivalent standing and qualifications. A list of the names of the members of Linklaters LLP and of the non-members who are designated as partners and their professional qualifications is open to inspection at its registered office, 20 Ropemaker Street, London, EC2Y 9AR, England or on www.linklaters.com and such persons are either solicitors or registered foreign lawyers. Please refer to www.linklaters.com/regulatory for important information on our regulatory position.

CD849B_F/09.26