

# DWP UNVEILS PLANS FOR £1.4 TRILLION IN PENSION ASSETS

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The Department for Work and Pensions (DWP) plans to optimise the £1.4 trillion held by pension schemes, with a focus on enhancing benefits for savers and contributing to the broader economic landscape



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## key points:

- The DWP aims to make surplus extraction easier for well-funded Defined Benefit (DB) schemes. These schemes have seen significant improvement in funding levels over the last decade, with the average scheme having a funding level of 113% in 2022, compared to 104% in 2010. This has led to an aggregate surplus of £200 billion.
- Consolidation of the market could strengthen security for savers through economies of scale and improved governance, ensuring better outcomes for savers remain at the heart of these proposals.
- By supporting DB schemes to invest surplus funds in UK productive finance assets, it is believed that these schemes can help boost the UK's position as a leading financial centre.
- With approximately 5,000 schemes operating in the UK, consolidation could further advance the productive finance agenda by providing greater opportunities for increased investment. The consultation period for these plans runs from 23 February until 19 April.