Press release

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PRESS RELEASE

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Confidence in CDC adoption remains low despite growing policy momentum, Sackers survey finds

Confidence that collective defined contribution (CDC)* pension schemes will become widely adopted remains low, despite growing political and regulatory momentum, according to a new webinar survey by Sacker & Partners LLP (Sackers), the UK's leading specialist law firm for pensions and retirement savings.

Polling conducted during a recent webinar found that 61% of respondents were not confident that CDC arrangements would gain significant traction. When asked which features of CDC arrangements might prove most challenging to communicate, almost half (48%) said they considered all aspects of the model which Sackers had flagged would be challenging, while 26% identified the possibility of retirement incomes falling as the trickiest feature to convey to members.

The findings come at a pivotal moment for CDC, as the Government looks to expand the framework beyond single and connected employer schemes to enable both unconnected multi-employer schemes (UMES) and retirement-only CDC arrangements.

Andrew Worthington, partner at Sackers commented: “The survey suggests that the biggest challenge facing CDC today isn’t necessarily the model itself but rather familiarity with how it works. As a new approach for the UK pensions market, building confidence will take time, like any innovation. It's also notable that many respondents highlighted the possibility that retirement income could reduce as a key concern. In practice, retirement incomes under DC are already uncertain, fluctuating with market performance and individual decisions.

"CDC has the potential to become an important third option alongside DB and DC. It gives employers certainty over contribution costs while giving members the benefits of collective investment, risk pooling and the prospect of a more predictable retirement income than many individuals can achieve through traditional DC arrangements."

Worthington added: "Similar CDC models have been operating successfully overseas for many years, demonstrating that they can deliver good outcomes for both employers and members. The UK now has the opportunity to build on that experience, but continued government support, practical regulation and increased real life experience will all be essential if CDC is to fulfil its potential.

“Recent government announcements mark important progress towards wider adoption. They have listened to industry concerns about implementation and announced a possible easement to the new guided retirement proposals where schemes are actively considering retirement CDC as their default option. This momentum will need to continue as CDC cannot succeed through single employer demand alone; it needs policy leadership to build confidence and encourage wider adoption. The additional flexibility being introduced to help new UMES CDC schemes navigate the authorisation process should also support innovation while maintaining appropriate safeguards. Supporting employers, trustees and advisers as they consider whether CDC is right for their circumstances will be important in helping to build confidence in the model."

* Often described as a "third way" between defined benefit (DB) and defined contribution (DC) pensions, CDC combines fixed employer contributions with collective investment and risk sharing. For employers, this offers greater cost certainty by removing the open-ended funding commitments associated with DB schemes. For members, it aims to deliver better retirement outcomes through economies of scale, professional investment management and the pooling of longevity and investment risk, while targeting a regular retirement income rather than leaving individuals navigate complex decisions about how to convert their pension savings into an income in retirement.

-ENDS-

*Based on 79 respondents representing all areas of the pensions industry.

Notes to Editors:

Sacker & Partners LLP (Sackers) is a top-tier commercial law firm celebrating its 60th anniversary in 2026.

The firm specialises in advising pension scheme trustees, employers, and providers on all aspects of their pension arrangements.

Widely regarded as leaders in the field, Sackers advises more of the UK's top 200 pension funds than any other law firm and is consistently ranked in the top tier for pensions by leading UK legal directories (Chambers UK and Legal 500), a position held for over twenty years.

Based in London, over 75 lawyers support trustee boards, sponsoring employers, providers and Government bodies across areas including day-to-day scheme management, funding and investment, projects, risk and litigation.

Sackers is an active member of Pensions UK, the Association of Pension Lawyers and the Society of Pension Professionals and is the technical legal expert partner to the Pensions Management Institute.

Sackers was recently named Pensions Law Firm of the Year 2026 at the Pensions Age Awards. In 2025, Sackers was named Best Pensions Law Firm at the Corporate Adviser Awards, won Pensions Lawyers of the Year at the UK Professional Pensions Awards, and received the Organisational Award for Supporting Diversity at the Professional Pensions Women in Pensions Awards.

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