

[Press release: Defined benefit green paper to look at the security and sustainability of the sector](#)

Member protection, funding and investment, scheme affordability and consolidation will be reviewed as part of the consultation.

The government will also consider strengthened powers for [The Pensions Regulator](#).

The green paper will be a wide ranging call for evidence from employers, the pensions industry and consumers.

Background

Defined benefit schemes, many of which are also known as 'final salary pensions', are an important pillar of the UK economy and our pensions system. Currently, around 11 million members in the UK will rely on a defined benefit scheme for all or part of their retirement income and defined benefit pensions hold around £1.5 trillion of assets.

Increased life expectancy, changes to working patterns and the economy mean that defined benefit schemes are operating in very different circumstances from when they first became popular.

The purpose of the green paper

The government is committed to a system that works for employers, schemes and the 11 million people who are in a defined benefit scheme.

The green paper will consider the powers of [The Pensions Regulator](#) and encourage a debate about striking the right balance between the needs and aspirations of sponsoring employers, members, the [Pension Protection Fund](#), and the wider economy to ensure that no one group is unfairly disadvantaged.

Minister for Pensions, Richard Harrington, said:

People need to have confidence in their pension and it is vital that they feel that they are secure. With recent high profile cases highlighting the risks inherent in defined benefit pensions, we want to ensure that these important pension schemes remain sustainable for the future and that the right protections are in place for members.

Over the coming months we'll be working closely with the pensions industry, employers and scheme members to see what more can be done to increase confidence in defined benefit pensions.

While there is no evidence of a systematic issue, the government recognises that recent high profile cases have raised concerns regarding pensions and is looking to improve confidence in the sector and hear from a wide range of experts, employers and consumers about what action or support could be put in place.

The green paper looks at a range of issues that have been raised by various stakeholders. In particular it focuses on 4 key areas so that we can start to build consensus on whether we may want to reform the current system. They are:

- funding and investment
- scheme affordability
- member protection
- consolidation.

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