KGC's 13th Administration Survey

Looking Beyond the Core Service

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KGC Associates
part of INDEPENDENT GOVERNANCE GROUP

Foreword

Looking back across 15 years of market insight, I have seen administration change beyond recognition. What was once viewed as an operational function now plays a fundamental role in the successful delivery of pension schemes. The change has been gradual. Perhaps that is why it's often gone unnoticed. Yet every time we revisit this research, the direction of travel becomes clearer.

When we began planning this year's Administration Survey, we described administration as the pensions industry's Ugly Duckling. It felt an apt analogy. Much of the industry's attention has focused on investment, funding, regulation and endgame planning. Meanwhile, administration has quietly evolved. It's responded to increasing complexity, embraced new technology and become central to delivering good governance and better member outcomes.

This year's survey reflects a market that is changing. Administration is no longer simply implementing trustee decisions. It now enables them. Strong administration supports digital transformation, operational resilience, governance and member outcomes. In many respects, it's become the foundation on which so much else depends.

We continue to revisit this research because meaningful change takes time. A single survey provides a snapshot. Looking across fifteen years of research provides something far more valuable. It allows us to identify the trends that matter and understand how the market is changing.

Our view has remained consistent throughout. Administration deserves the same level of scrutiny, understanding and recognition as every other aspect of pension scheme governance. As administration's role has become more visible, the conversation has changed. Cost and operational efficiency still matter. Today, capability, resilience, service quality and the value administration brings are just as important.

This report is not intended to identify a single 'best' administration model. Every scheme has different priorities, and every administrator has different strengths. What we have set out to provide is an independent view of today's market, highlighting the trends, challenges and opportunities shaping its future. I hope it encourages discussion, challenges assumptions and helps trustees and sponsors make well-informed decisions.

Administration has spent many years evolving quietly behind the scenes. Today, its contribution is becoming impossible to ignore. As schemes become more complex and expectations continue to rise, understanding administration and recognising the value it creates has never been more important.



Kim Gubler
Managing Director

Executive Summary

Administration has reached a turning point. This year's survey suggests the market is moving beyond viewing administration as an operational service and towards recognising it as a strategic capability. While core administration has become increasingly consistent across providers, differentiation is now emerging through technology, governance support, operational resilience, data quality and member experience. Together, these findings paint a picture of a market that is evolving well beyond its traditional role.

The findings reveal a market that has matured considerably. Across providers, there is greater consistency in the core services delivered than in previous years, reflecting an increasingly established baseline for administration. At the same time, differentiation is shifting away from traditional service delivery and towards wider capability. Technology, governance support, data quality, resilience and member experience are now important factors in how administration services are evaluated and delivered.

This is also being reflected in commercial models. The survey highlights administration pricing is becoming more sophisticated, with providers adopting different approaches to charging for both core and non-core activities. The findings reinforce the importance of looking beyond price alone to assess the overall value and capability of an administration proposition.

Technology continues to shape the direction of the market, although it’s becoming an expected component of service rather than a point of differentiation. Digital services continue to expand, while investment in automation, AI and data capabilities reflects a broader focus on improving operational efficiency, supporting administrators and enhancing the member experience. Underpinning many of these developments is the growing recognition that high-quality data remains fundamental to the successful delivery of both day-to-day administration and wider strategic initiatives.

Alongside these developments, the survey reflects a market responding to increasing complexity. Providers continue to balance regulatory change, major projects and growing member expectations, while investing in skills, technology and operational resilience. Despite these challenges, the findings suggest administration is a profession that continues to adapt, innovate and strengthen its role within the wider pensions landscape.

While clear themes emerge from this year's research, the findings also demonstrate the continued diversity of the administration market. Providers are responding to many of the same pressures, but not always in the same way or at the same pace. Differences in pricing, technology, service models and strategic capability remain significant, reinforcing the importance of understanding what sits behind an administration proposition rather than relying on headline comparisons alone.

Taken together, this year's findings suggest the conversation around administration is moving beyond operational delivery. The focus is extending to encompass capability, resilience, technology and strategic support. Administration has long been at the heart of successful pension schemes.

Administration is finally being noticed. The industry is paying attention.



Hayley Mudge
Head of Research
Survey Author

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1. Introduction

About the Survey

This year's Administration Survey brings together responses from 15 administrators covering fees, services, engagement and broader market trends. The analysis is based on a set of model schemes and a defined core service framework, designed to reflect the key components required to administer a scheme effectively. The underlying scenarios are reviewed regularly to ensure they remain representative.

Key changes for 2026

- Broader and more detailed market view
- Multiple responses allowed across key questions
- Greater insight into competing priorities and pressures

We continue to analyse fees across four core components:



What this report covers

For each pricing scenario, we highlight the range of responses including lowest, highest and average values, alongside comparisons on a unit cost per member basis. We also look beyond headline fees to examine the components, assumptions and activity triggers sitting behind administration pricing.

This year's survey goes further in exploring how administration is delivered in practice. We consider the core proposition, where differentiation sits beyond it, and how digital capability, governance support and trustee engagement are developing across the market.

The research also examines some of the wider pressures shaping administration today. From GMP and dashboards to workforce strategy, vulnerable customers and demand beyond BAU, the findings provide insight into where providers are investing, where resource is being consumed and how priorities are shifting.

Finally, we look ahead. Drawing on the views of administrators themselves, we explore the forces and strategic themes expected to shape the market over the next 12 to 18 months.

Understanding the Framework

The following framework underpins all fee comparisons presented in this report.

Assumptions

- DB section closed to new members
- DC section open to new members, pensioners all annuitised or transferred out on retirement to take advantage of DC freedoms
- No DC freedoms available within the scheme
- Data is in a 'normal state' i.e. no material issues, just the normal missing data field here and there
- Quarterly stewardship reporting (including cashflow analysis)

Scheme Structure

- **Treasury:**
  - Separate bank accounts (virtual or physical) where DB/DC
  - Treasury and preparation of Report & Accounts to audit
- **DB section**
  - 1 pensioner payroll (no overseas payments)
  - 1 payslip per annum, unless pension changes by more than £10
  - Increases paid as at a common date
- **DC section**
  - Lifestyle – 3 pathway options (defaults)
  - DC Fund Platform with access up to 10 funds

Fee Components

- Administration
- Pensioner Payroll
- Treasury & Accounts
- Year One*
- Implementation
- Exit Fee

* Year 1 excludes Implementation and Exit Fees

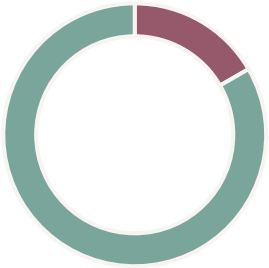
Fees are segmented across these components for each scheme size, with average values highlighted. Respondents are asked to only provide pricing for the membership sizes they currently administer.

Unit Cost per Member (UCM)

UCM is calculated by dividing total cost by total membership. It provides an indication of how costs change as schemes scale and allows comparisons to be made on a like-for-like basis.

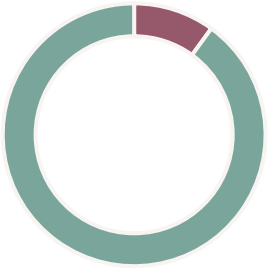
Membership Profile by Scheme Size

500 members



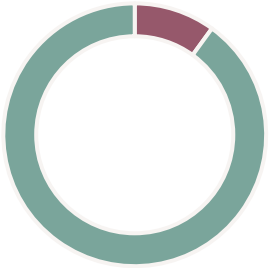
13 respondents

1,000 members



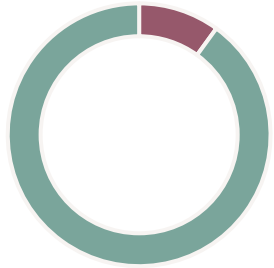
13 respondents

2,000 members



13 respondents

5,000 members



14 respondents

10,000 members



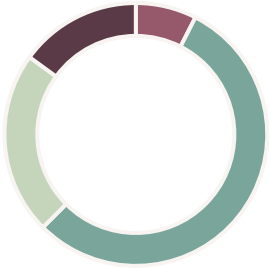
12 respondents

15,000 members



11 respondents

20,000 members



11 respondents

DB Deferred DB Pensioner DC Active DC Deferred

2. Pricing & Scale

Understanding Pricing & Scale

The following principles underpin all pricing comparisons presented in this report.

How pricing is assessed

Fees are analysed across a consistent set of model schemes and core service components, enabling like-for-like comparison across providers.

Costs are presented across seven membership sizes, reflecting how pricing changes as schemes scale.

What drives variation

- Scheme size and member profile
- Service scope (core vs additional services)
- Technology and delivery model
- Complexity of benefits and data
- Level of trustee engagement and governance support

How to interpret the charts

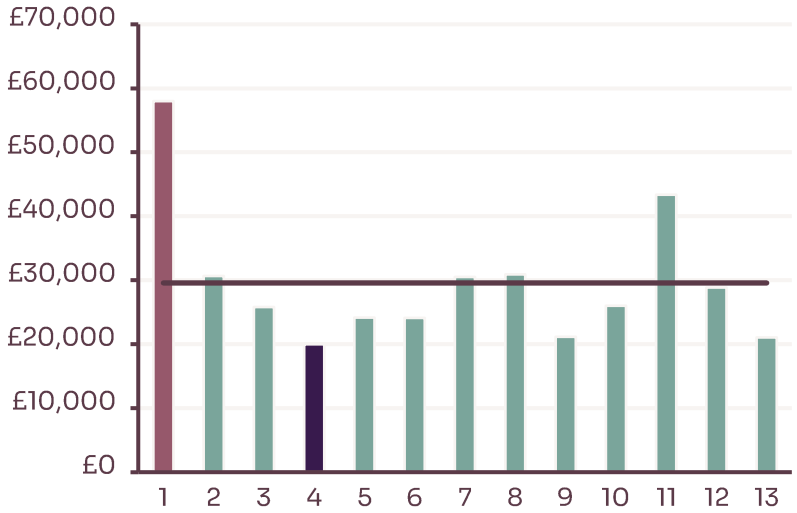
- Values shown reflect market responses, not recommended pricing
- The average indicates a typical market position, not a target or recommended level
- Costs should be considered alongside service scope and delivery model

Points to consider

Pricing variation is not solely a function of scale. Differences in service design, delivery model and governance expectations can materially influence cost and should be considered alongside headline fees.

Administration Fee

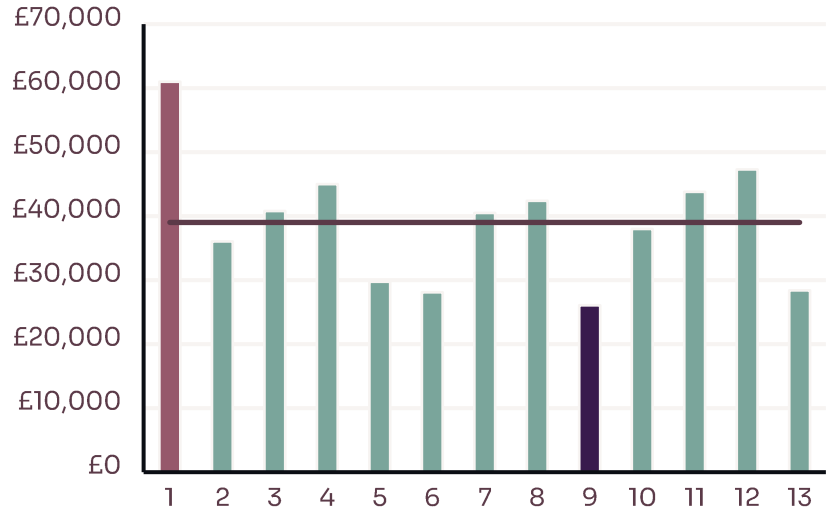
500 Life Scheme



Highest	**£58,000**
Average	**£29,584**
Lowest	**£20,000**

Average UCM
£59.17 per member

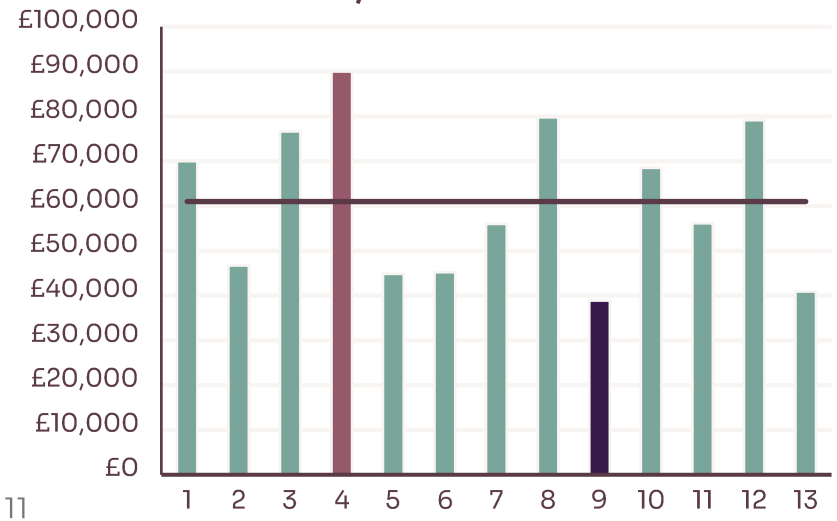
1,000 Life Scheme



Highest	**£61,000**
Average	**£39,015**
Lowest	**£26,069**

Average UCM
£39.01 per member

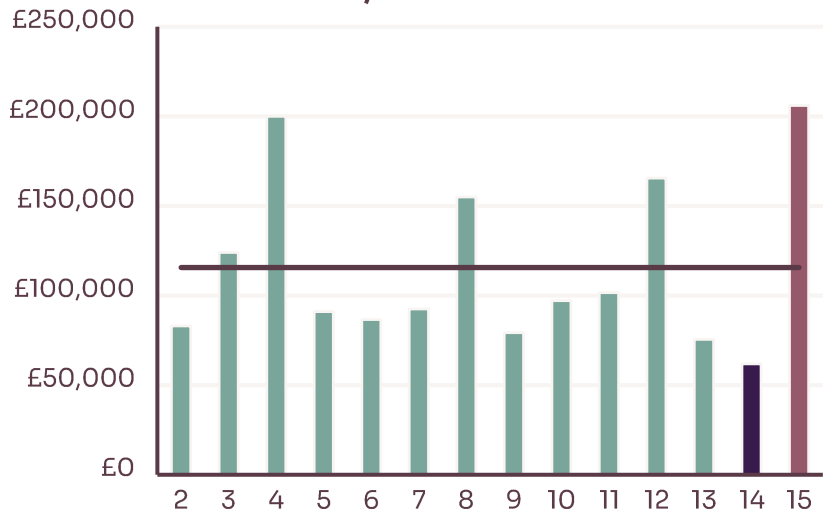
2,000 Life Scheme



Highest	**£90,000**
Average	**£60,978**
Lowest	**£38,880**

Average UCM
£30.49 per member

5,000 Life Scheme

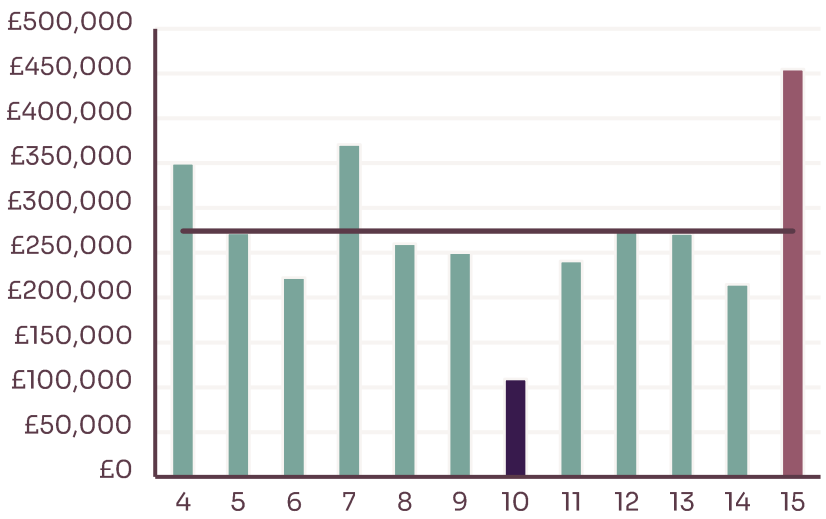


Highest	**£206,000**
Average	**£115,626**
Lowest	**£61,845**

Average UCM
£23.13 per member

Administration Fee

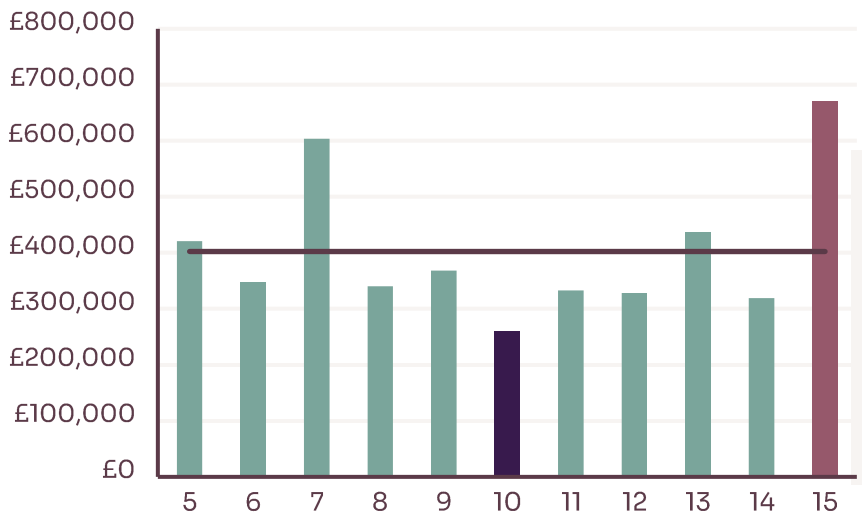
10,000 Life Scheme



Highest **£455,000**
Average **£274,264**
Lowest **£109,250**

Average UCM
£27.43 per member

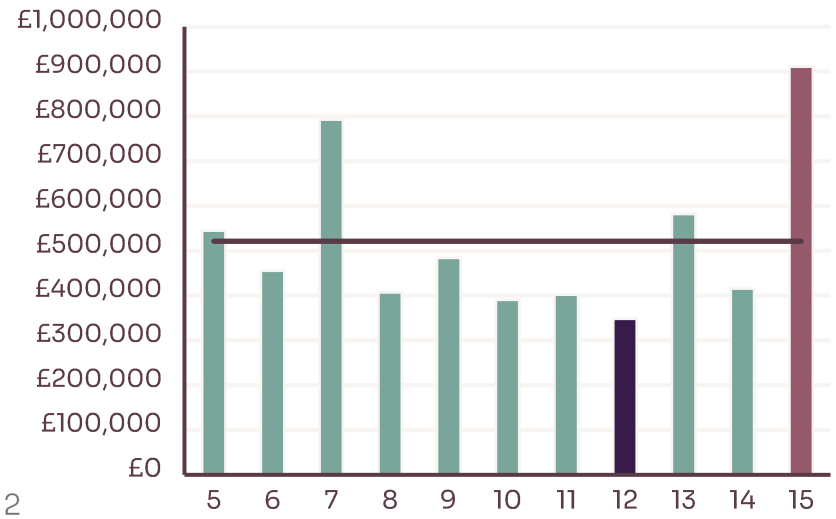
15,000 Life Scheme



Highest **£670,500**
Average **£402,365**
Lowest **£260,050**

Average UCM
£26.82 per member

20,000 Life Scheme



Highest **£911,000**
Average **£521,312**
Lowest **£348,270**

Average UCM
£26.07 per member

ADMINISTRATION INSIGHT

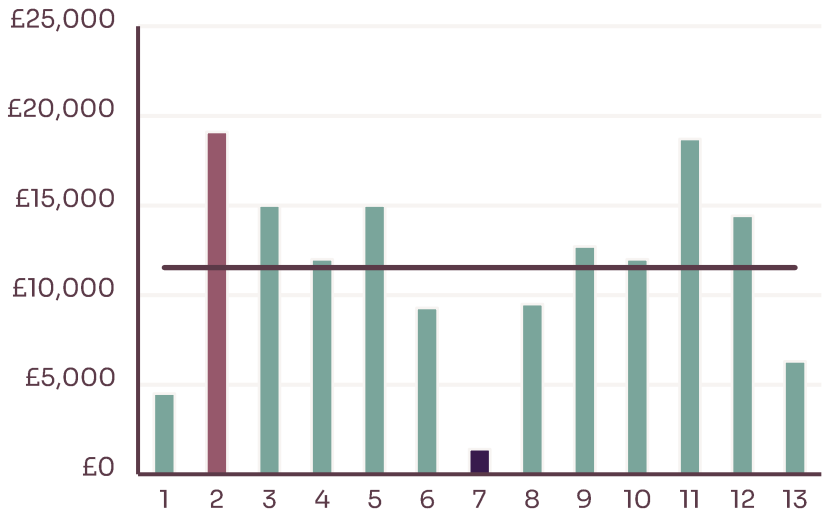
Administration fees increase as scheme size grows, while average cost per member reduces as scale is achieved. However, significant pricing variation remains evident between providers at every scheme size.

This suggests scheme size alone does not determine price. Differences in operating models, service design and commercial assumptions continue to influence administration costs.

The results reinforce headline fees should be considered alongside the assumptions behind them. They are the starting point, not the conclusion.

Pensioner Payroll

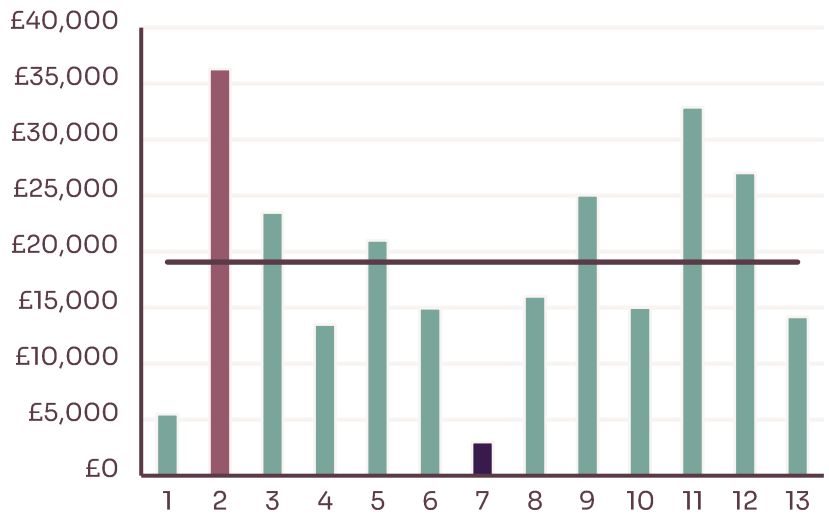
500 Life Scheme



Highest	**£19,100**
Average	**£11,531**
Lowest	**£1,400**

Average UCM
£23.06 per member

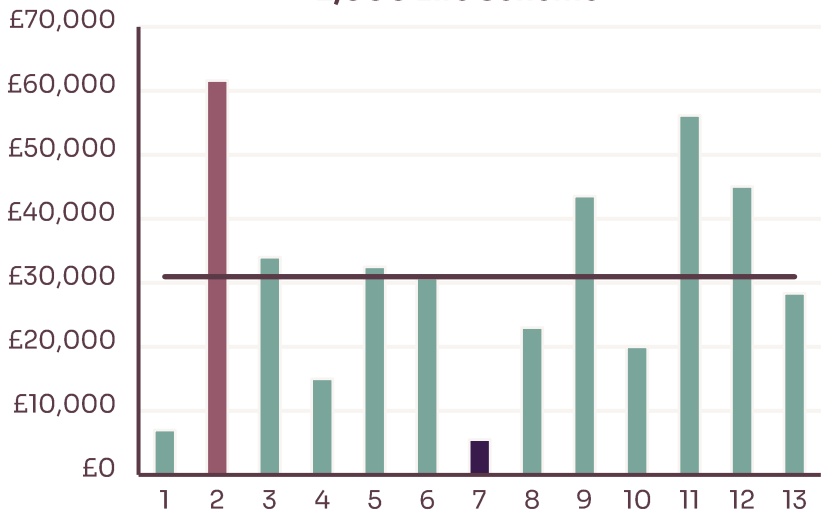
1,000 Life Scheme



Highest	**£36,300**
Average	**£19,067**
Lowest	**£3,000**

Average UCM
£19.07 per member

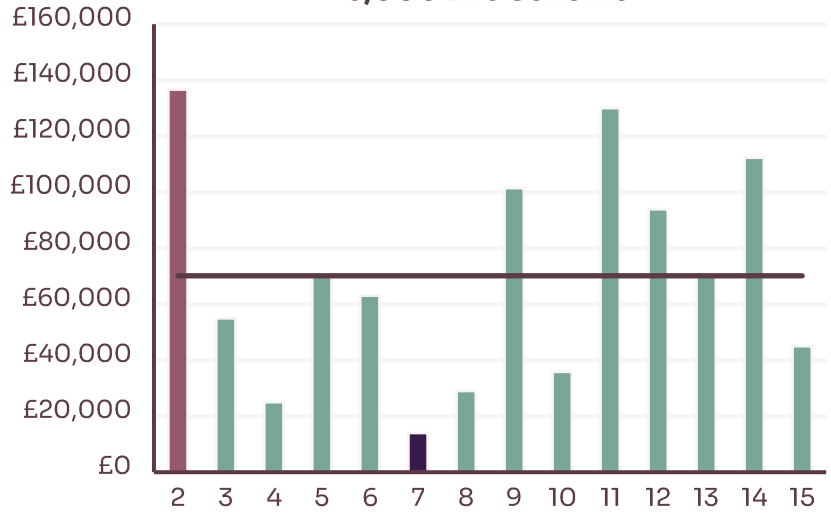
2,000 Life Scheme



Highest	**£61,600**
Average	**£30,962**
Lowest	**£5,500**

Average UCM
£15.48 per member

5,000 Life Scheme

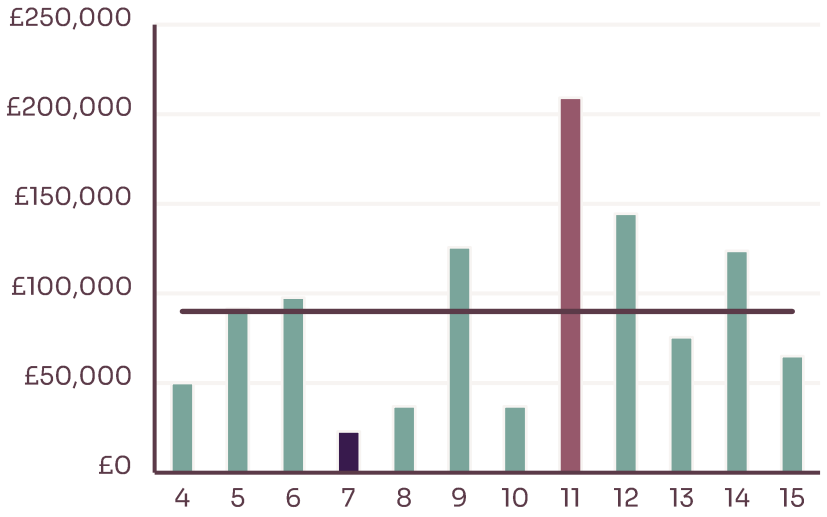


Highest	**£136,650**
Average	**£70,144**
Lowest	**£14,000**

Average UCM
£14.03 per member

Pensioner Payroll

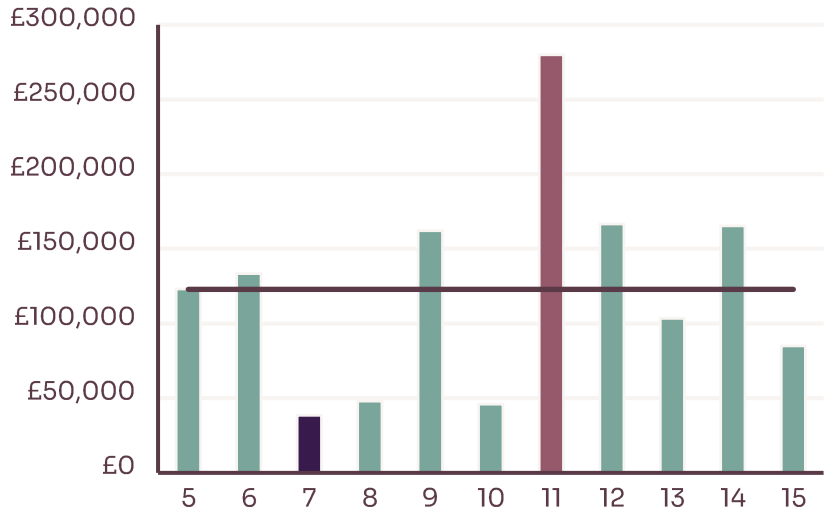
10,000 Life Scheme



Highest	**£209,200**
Average	**£89,977**
Lowest	**£23,000**

Average UCM
£9.00 per member

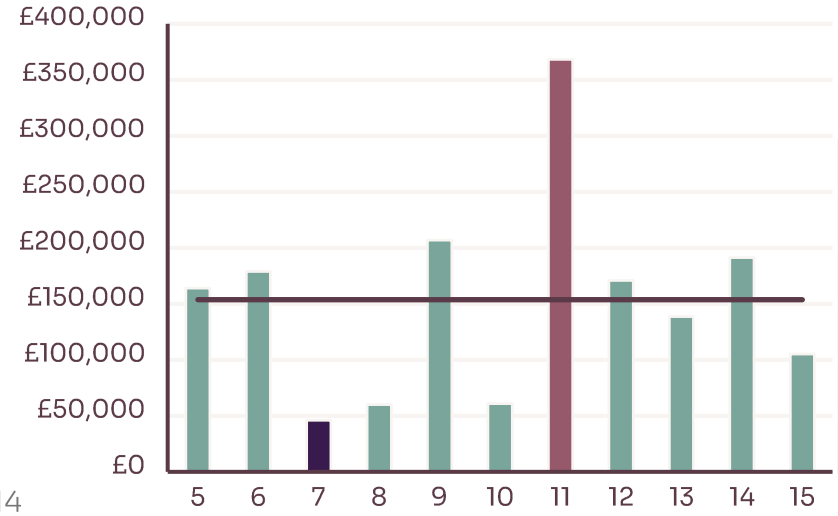
15,000 Life Scheme



Highest	**£279,900**
Average	**£122,848**
Lowest	**£38,500**

Average UCM
£8.19 per member

20,000 Life Scheme



Highest	**£368,200**
Average	**£153,674**
Lowest	**£46,000**

Average UCM
£7.68 per member

PAYROLL INSIGHT

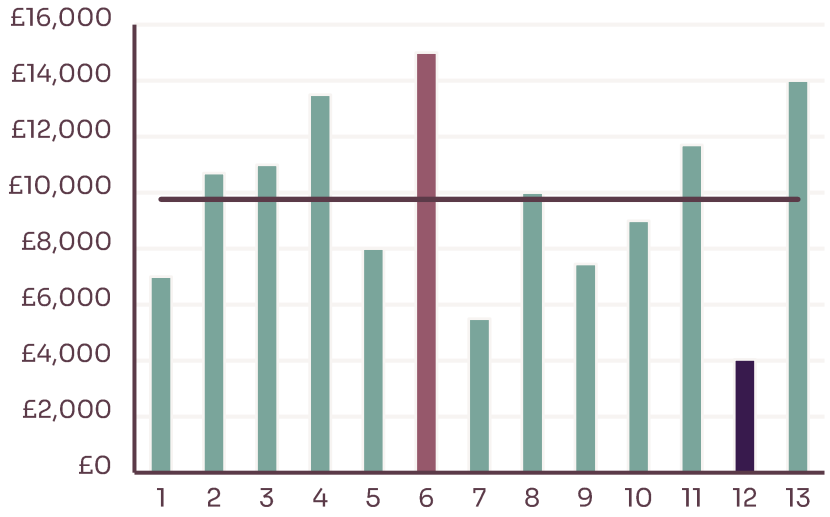
Payroll pricing exhibits the greatest variation of any core administration component in this survey. Significant differences exist not only between scheme sizes, but also between providers administering schemes of a comparable size.

Given the common survey assumptions, this level of variation suggests providers are taking materially different approaches to pricing payroll services, whether through service scope, operating models or commercial assumptions.

Payroll fees should therefore be assessed alongside the activities included and the assumptions underpinning the pricing.

Treasury & Accounts

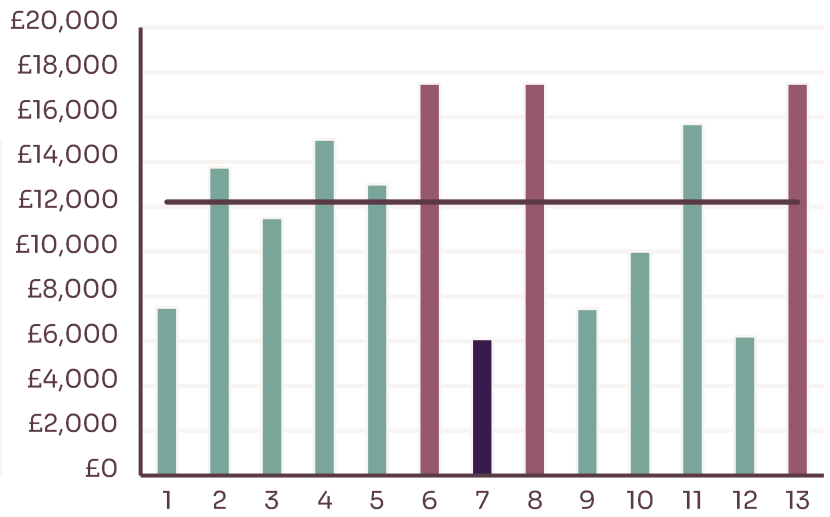
500 Life Scheme



Highest **£15,000**
Average **£9,761**
Lowest **£4,043**

Average UCM
£19.52 per member

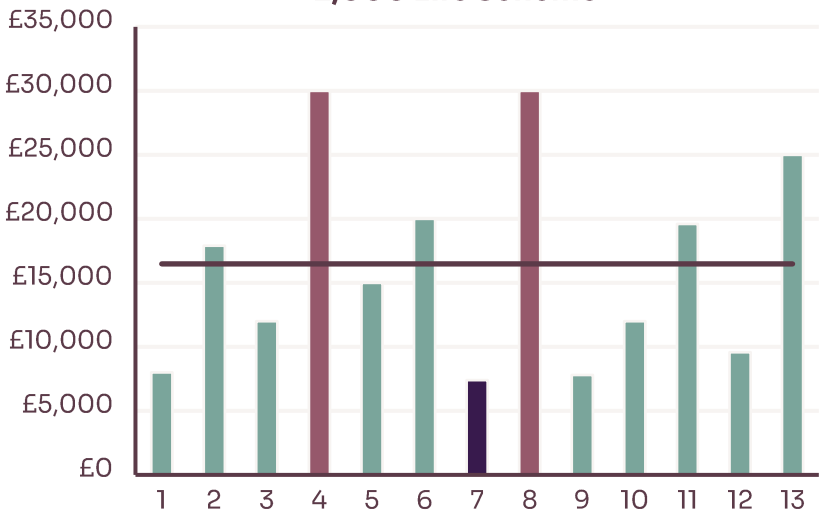
1,000 Life Scheme



Highest **£17,500**
Average **£12,209**
Lowest **£6,100**

Average UCM
£12.21 per member

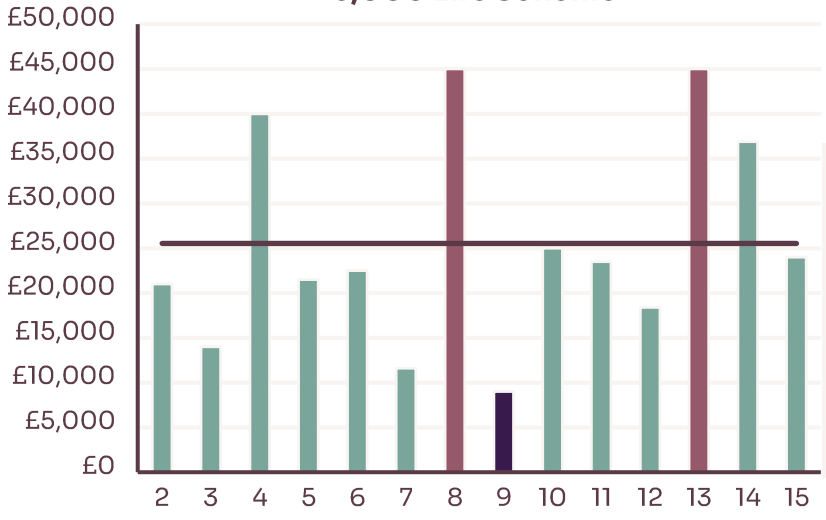
2,000 Life Scheme



Highest **£30,000**
Average **£16,482**
Lowest **£7,400**

Average UCM
£8.24 per member

5,000 Life Scheme

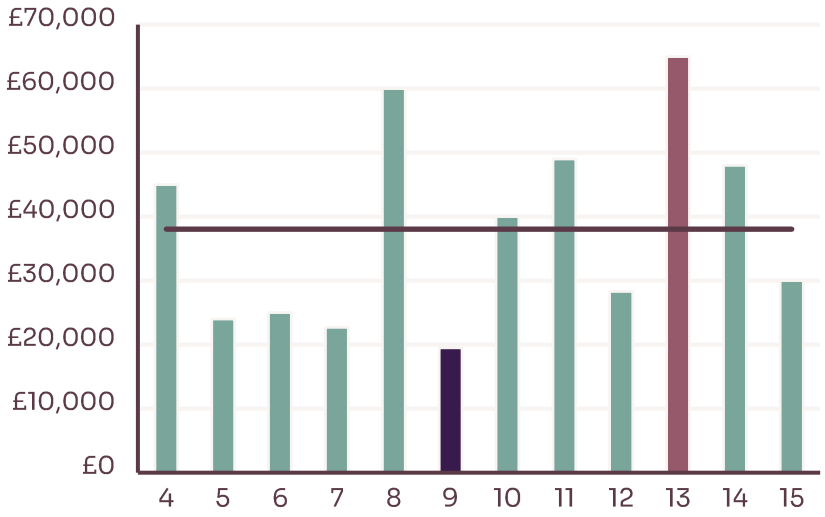


Highest **£45,000**
Average **£25,528**
Lowest **£9,000**

Average UCM
£5.11 per member

Treasury & Accounts

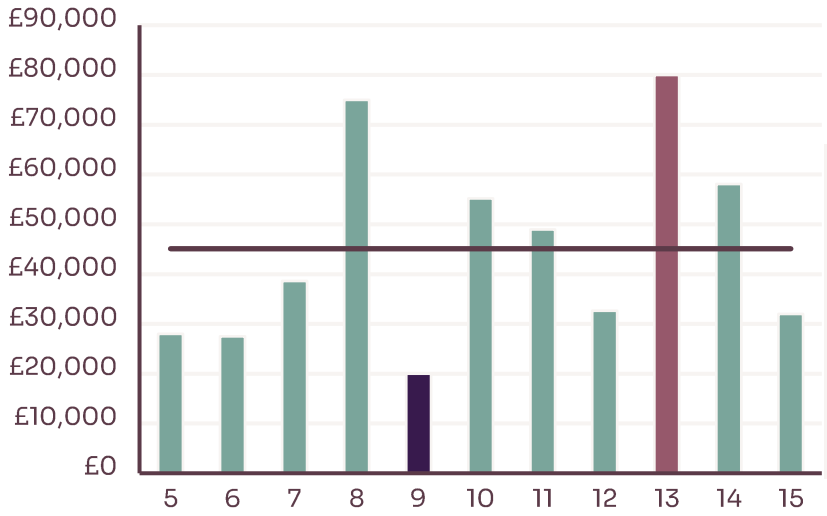
10,000 Life Scheme



Highest	**£65,000**
Average	**£38,042**
Lowest	**£19,500**

Average UCM
£3.80 per member

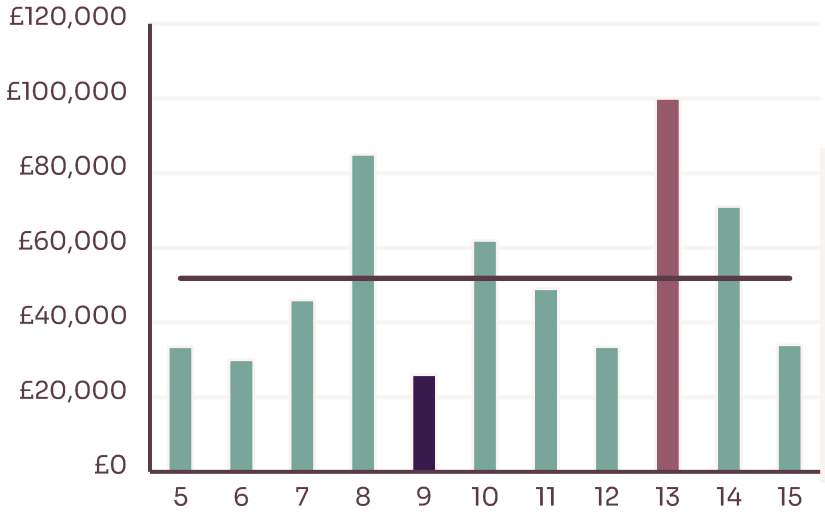
15,000 Life Scheme



Highest	**£80,000**
Average	**£45,099**
Lowest	**£20,000**

Average UCM
£3.01 per member

20,000 Life Scheme



Highest	**£100,000**
Average	**£51,825**
Lowest	**£26,000**

Average UCM
£2.59 per member

TREASURY & ACCOUNTS INSIGHT

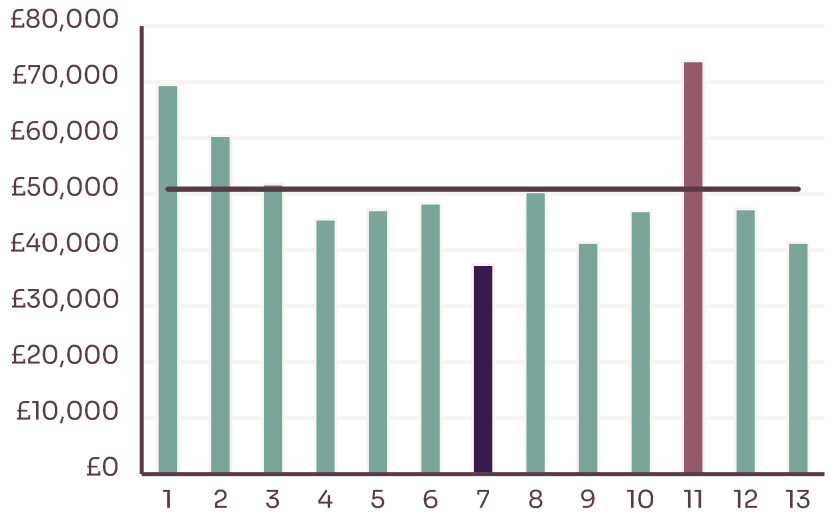
Fees demonstrate a more consistent pricing pattern than other service components.

This may reflect the comparative standardisation of this function, where requirements are often driven by regulation, established governance, reporting and financial control processes.

While pricing variation is evident, the data highlights a greater degree of market alignment in this area than is seen for some other administration components.

Year One

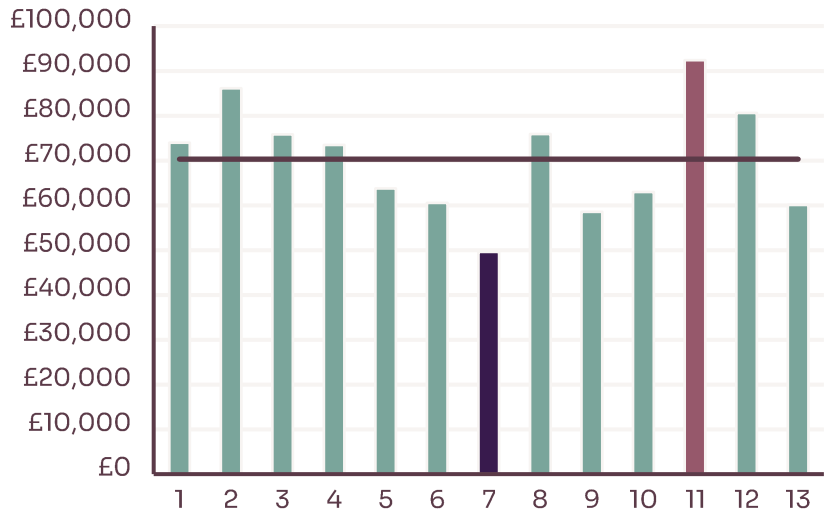
500 Life Scheme



Highest	£73,780
Average	£50,876
Lowest	£37,400

Average UCM
£101.75 per member

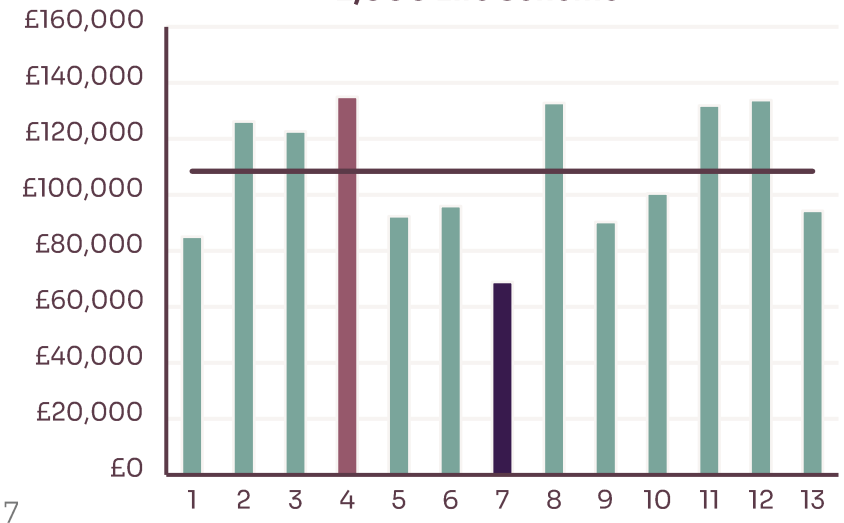
1,000 Life Scheme



Highest	£92,390
Average	£70,291
Lowest	£49,600

Average UCM
£70.29 per member

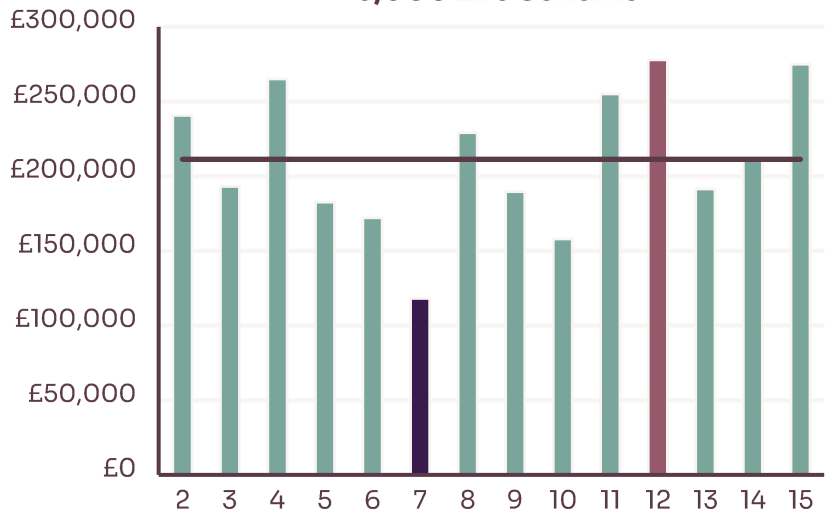
2,000 Life Scheme



Highest	£135,000
Average	£108,422
Lowest	£68,900

Average UCM
£54.21 per member

5,000 Life Scheme

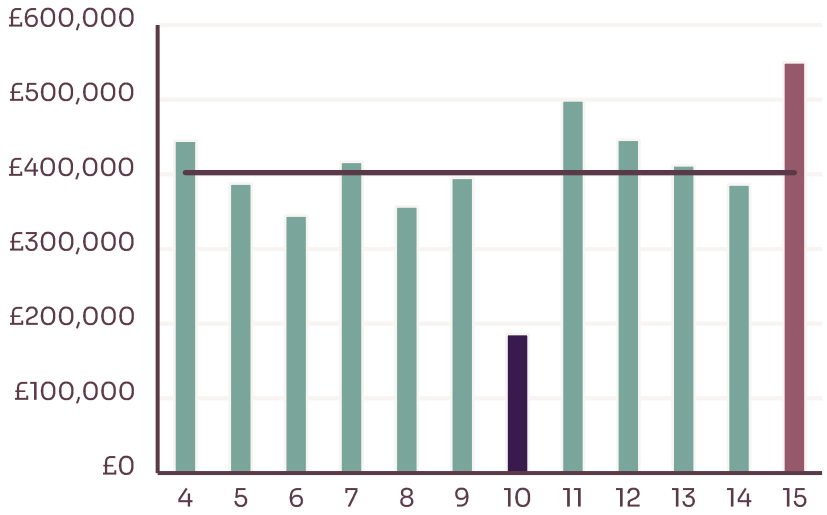


Highest	£277,859
Average	£211,299
Lowest	£118,100

Average UCM
£42.26 per member

Year One

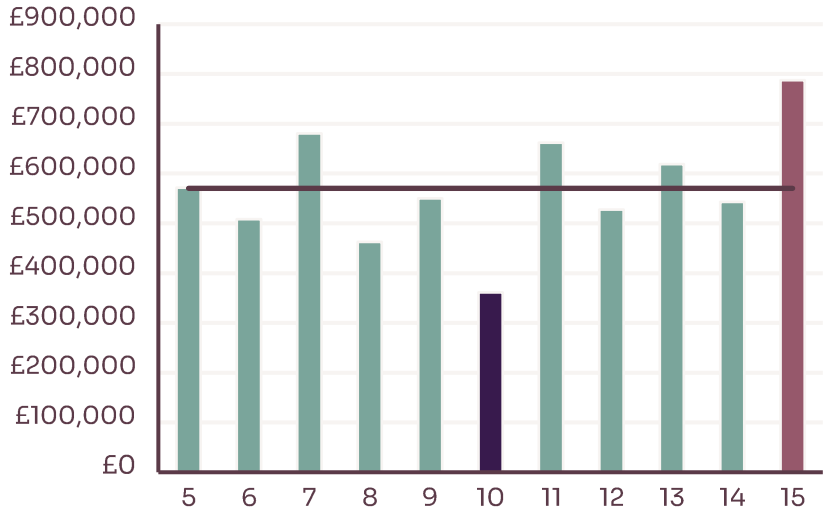
10,000 Life Scheme



Highest	**£550,000**
Average	**£402,284**
Lowest	**£186,200**

Average UCM
£40.23 per member

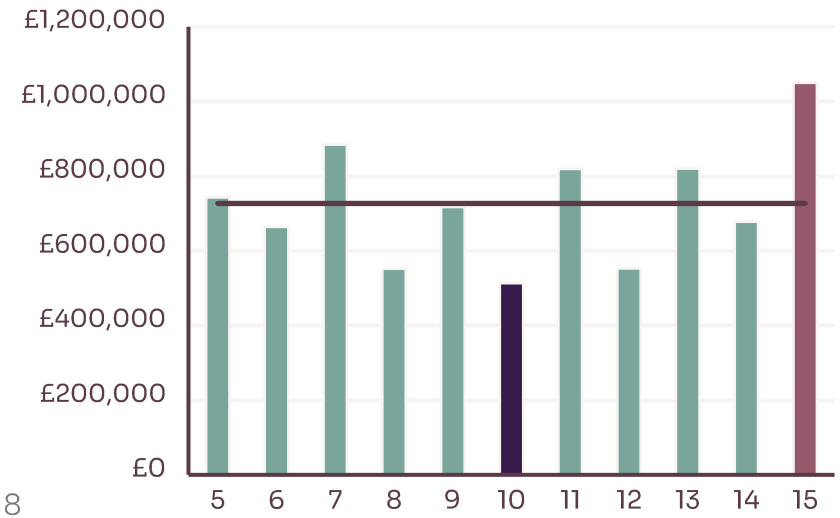
15,000 Life Scheme



Highest	**£787,500**
Average	**£570,312**
Lowest	**£361,250**

Average UCM
£38.02 per member

20,000 Life Scheme



Highest	**£1,050,000**
Average	**£726,811**
Lowest	**£513,350**

Average UCM
£36.34 per member

YEAR ONE INSIGHT

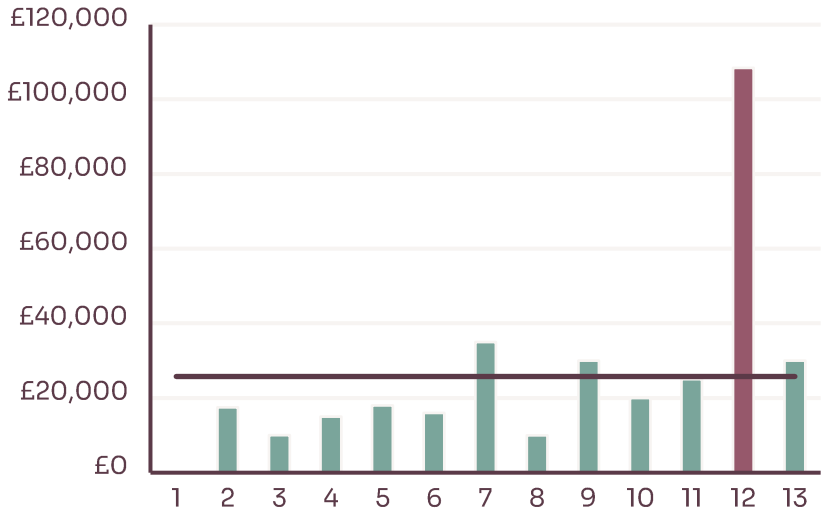
Year One fees provide the clearest view of the total recurring cost of administration, combining Administration, Pensioner Payroll and Treasury & Accounts charges into a single measure.

Although providers price individual service components differently, those differences become less pronounced when recurring administration costs are considered collectively. This provides a more representative view of the overall cost of ongoing service delivery.

The findings reinforce pricing should be assessed holistically. Looking at individual fee components in isolation can overstate differences between providers and obscure the true cost of ongoing administration.

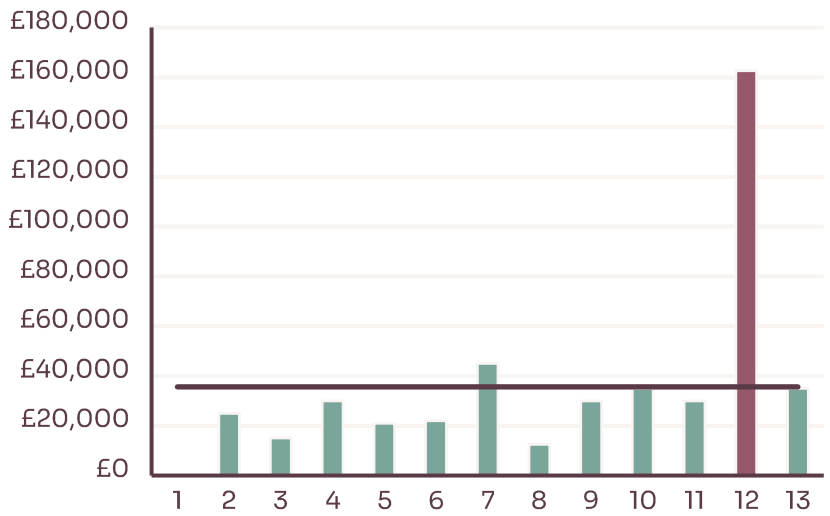
Implementation

500 Life Scheme



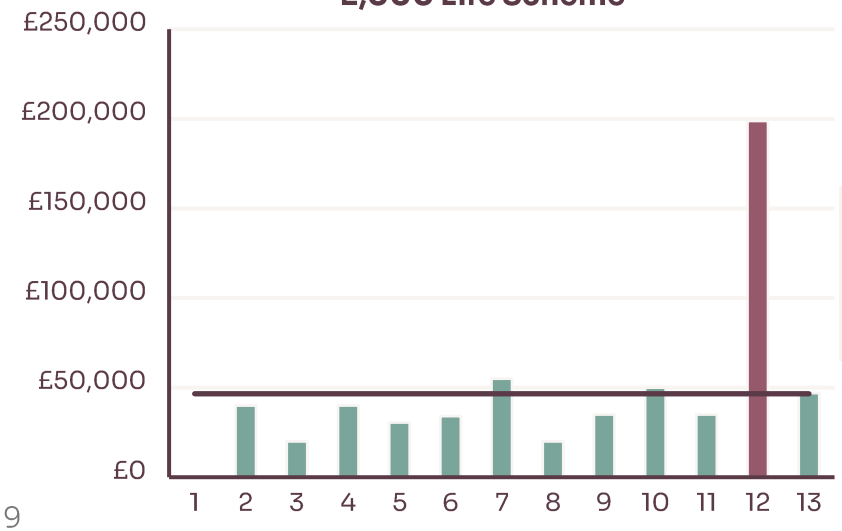
Highest	£108,410
Average	£25,762
Lowest	£0

1,000 Life Scheme



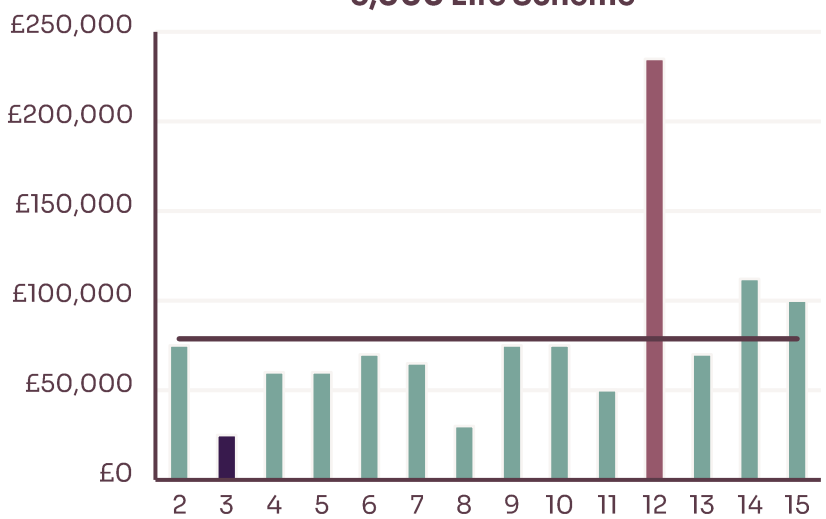
Highest	£162,615
Average	£35,624
Lowest	£0

2,000 Life Scheme



Highest	£198,757
Average	£46,558
Lowest	£0

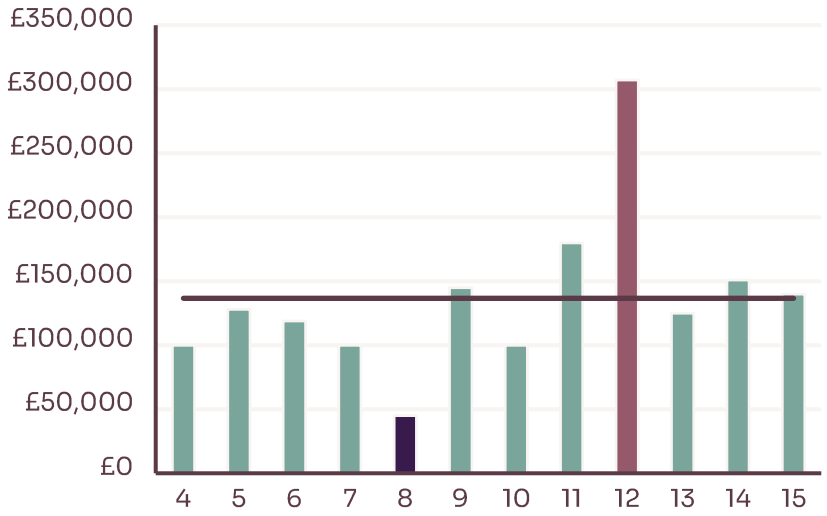
5,000 Life Scheme



Highest	£234,888
Average	£78,715
Lowest	£25,000

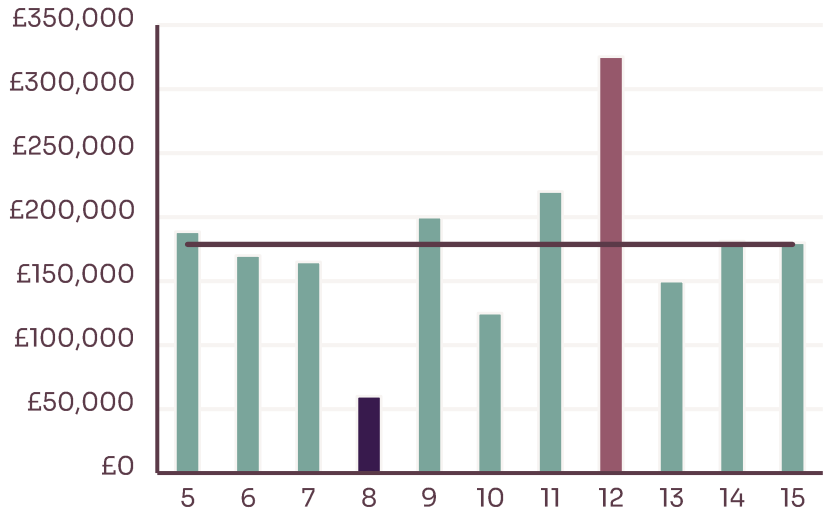
Implementation

10,000 Life Scheme



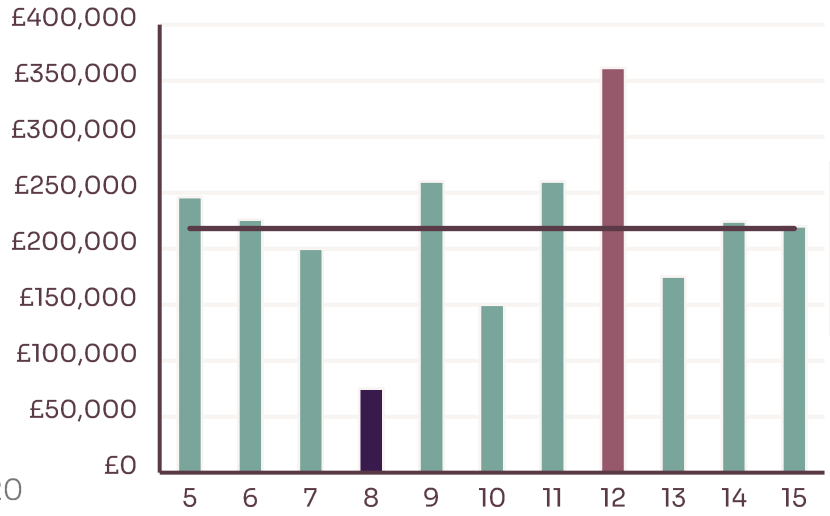
Highest	£307,162
Average	£136,675
Lowest	£45,000

15,000 Life Scheme



Highest	£325,230
Average	£178,623
Lowest	£60,000

20,000 Life Scheme



Highest	£361,367
Average	£217,965
Lowest	£75,000

IMPLEMENTATION INSIGHT

Implementation fees increase in line with scheme size and reflect the additional planning, project management and operational activity required to support larger transitions.

While prices vary, most providers cluster within a defined range, suggesting broad alignment around the level of effort required to deliver a transition successfully.

The results reinforce the importance of understanding both the complexity of the transition and the scope of onboarding activities when comparing implementation costs.

Exit Fees

Providers adopt a range of approaches to calculating and charging for schemes exiting their services.

How providers charge



7

Offer a fixed fee

A set fixed fee regardless of time or resources required.



5

Provide a range of fees

A minimum and maximum fee, dependent on scope.



2

Charge on a time cost basis

Charged based on time and resources expended.



1

Did not disclose

No specific cost mechanism given.

Indicative Fees

The lowest fixed fee for a 500 life scheme is **£11,500** and the highest fixed fee is **£42,000**

The lowest fixed fee for a 20,000 life scheme is **£42,500** and the highest fixed fee is **£120,000**

EXIT FEE INSIGHT

Exit fees appear to be the least standardised area of administration pricing.

Most providers quote a fixed exit fee, a smaller number operate on a time-cost basis and others provided a range of fees which are dependent on the exit scope. As a result, a direct comparison is difficult.

Understanding how an exit fee is calculated is as important as understanding the cost itself.

Activity Triggers & Assumptions

Understanding when services move beyond core delivery and how this impacts costs.

The trigger

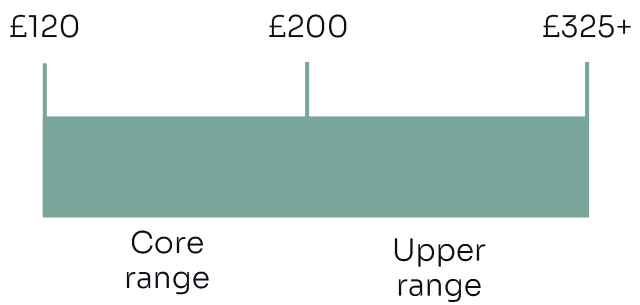
Scheme Size	Average Assumption
500	10–15%
1,000	10–15%
2,000	10–15%
5,000	10–15%
10,000	10–15% *(higher triggers evidenced)*
15,000	10–15% *(wider variety of triggers)*
20,000	10–15% *(30%+ triggers evidenced)*

Activity assumptions are broadly consistent at smaller scheme sizes, but deviate as schemes grow, with some providers applying significantly higher thresholds.

All-inclusive model

One provider does not apply activity-based charging, with costs remaining stable regardless of transaction volumes.

Cost of exceeding



- Most responses cluster between £120–£215
- Upper range extends to £325+
- Pricing is more varied at larger scheme sizes
- Some providers use banded or variable pricing

Negotiability

100%

of providers state assumptions are negotiable

KGC Insight

Cost differences are not driven by price alone, but by when activity thresholds are triggered and how additional activity is priced.

Percentage based activity thresholds can lose their significance for smaller schemes. For example, a 10% trigger in a 500 life scheme represents only 50 transactions in a year.

These elements are consistently negotiable, making structure as important as headline fees.

KGC Perspective

Headline fees tell only part of the story. Behind every administration fee sits a series of commercial assumptions, activity levels and pricing decisions shaping the overall cost of service. The survey shows pricing is becoming more transparent but also more complex.

Similar fees can reflect very different assumptions

Even amongst schemes of a similar size, pricing varies materially. Differences in operating models, service approaches and commercial assumptions all influence cost.

Scale influences cost, but not proportionately

Average unit cost per member reduces as membership increases, demonstrating the impact of scale. However, pricing differences remain visible at every scheme size, indicating scale alone does not determine cost.

Activity assumptions shape outcomes

Activity assumptions are an important driver of administration pricing. Similar fees may be based on very different expectations around member activity and the volumes of activity.

One-off activity is defined separately

Implementation fees have reverted to being explicitly priced and providers are more transparent with exit fees. This greater transparency reinforces the importance of understanding the full commercial structure rather than focusing solely on annual fees.

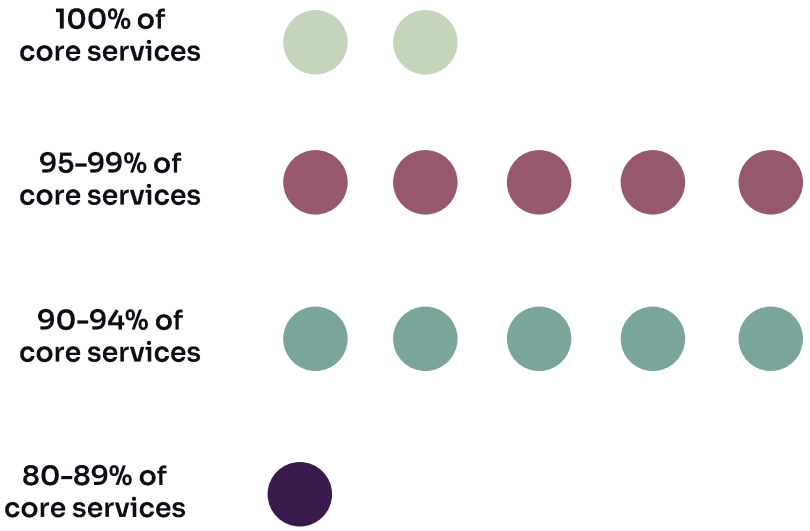
Pricing outcomes are shaped by a combination of scale, activity assumptions and commercial structure. Meaningful comparison requires an understanding of the assumptions behind a fee, not simply the fee itself.

3. Defining Administration

The Core Proposition

Providers continue to offer a highly consistent core service proposition.

We assessed whether providers offered specific tasks relating to their administration service. A full breakdown of these 31 tasks can be found in Appendix A.



Average
95%

While fee levels vary considerably across the market, the scope of core services remains broadly consistent.

All providers include at least 27 of the 31 services assessed, with 14 out of 15 including 90% or more.

The findings highlight trustees should look beyond service inclusion when assessing value for money. Service quality, member experience and governance support are likely to be the real differentiators between providers.

Looking alike on paper does not necessarily mean delivering the same member and trustee experience.

Assessing Value for Money

Similar service scope. Different costs and considerations.

Across all scheme sizes, differences in the proportion of core services included are relatively consistent despite the variations in fee levels. This reinforces the importance of assessing administration more holistically, taking account of factors such as service quality, governance support, technology, resilience and member experience, rather than focusing solely on price.

Scheme size	500	1,000	2,000	5,000	10,000	15,000	20,000
Highest Fee	**£73,780**	**£92,390**	**£135,000**	**£277,859**	**£550,000**	**£787,500**	**£1,050,000**
Provider	11	11	4	12	15	15	15
% core services	97%	97%	94%	97%	100%	100%	100%
Lowest Fee	**£37,400**	**£49,600**	**£68,900**	**£118,100**	**£186,200**	**£361,250**	**£513,350**
Provider	7	7	7	7	10	10	10
% core services	90%	90%	90%	90%	97%	97%	97%

Looking beyond fees

- ✓ Scope of services included
- ✓ Quality of delivery
- ✓ Governance and oversight
- ✓ Technology and resilience
- ✓ Member experience and outcomes

Administration value for money cannot be determined by fees or service inclusion in isolation and should always be considered in the context of service delivery and member outcomes.

Beyond Core Services

There is less consistency in how providers charge for additional services.

We analysed how providers charge for nine non-core services and additional activities. The results showed how these services are priced is varied. Many strategic or project-based activities are via a time-cost basis but enhancements to ongoing administration are more likely to fall under a fixed fee.

Non-Core Service	Included in Core Fee	Fixed Fee	Time-Cost
Attendance at extra Trustee meetings when required	●●	●●●●●●●	●●●●●●
Enhanced reporting i.e. over and above Stewardship Report	●●●●	●●●●●●●	●●●
Provision of additional member data to other third parties.	●●	●●●●●●●	●●●●
Liaise with Trustees on Scheme administration matters as and when required	●●●●●●●●●●●		●●
Merger/sale/acquisition work		●●●●●●●	●●●●●●●●
Large-scale data remediation/cleansing projects		●●●●●●●	●●●●●●●●
Implementation and management of routine regulatory or scheme-driven changes as part of ongoing administration	●●●●	●●●●●●●●	●●●
Major regulatory projects (e.g. GMPE execution, buy-in support, longevity swaps)		●●●●●●	●●●●●●●●
Working with trustees to create a data management strategy and plan	●●●●	●●●●	●●●●●●●

Key Observations

- Trustee liaison is most commonly included in core fees
- Provision of additional member data and implementation and management of routine regulatory or scheme driven changes as part of ongoing administration are more likely to attract a fixed fee
- Major regulatory projects, large scale data remediation/cleansing projects and merger/sale/acquisition work would fall into time-cost for most providers

KGC Perspective

While administration propositions can look similar on paper, differences arise in how additional services are defined, charged and delivered. The findings highlight the importance of looking at the service as a whole.

Core services are broadly consistent

Core administration services are largely aligned and reflect the day-to-day activities expected to deliver an administration service. This provides a useful foundation for comparison, but differences through additional services, delivery approach and support models should be considered.

Non-core services are defined differently

There is variation in what is classified as non-core, how it's scoped and how it's priced. Additional services can materially impact on overall cost and should be understood upfront.

Value is multi-dimensional

Value extends beyond price and includes service quality, governance support, operational resilience and the ability to support strategic change. These should all be considered alongside cost when assessing overall value.

There is no single measure of value in administration. Each scheme will place different weight on cost, service quality, expertise, resilience and member outcomes depending on its own priorities and needs.

4. Digital Capability

Digital Capability Heatmap

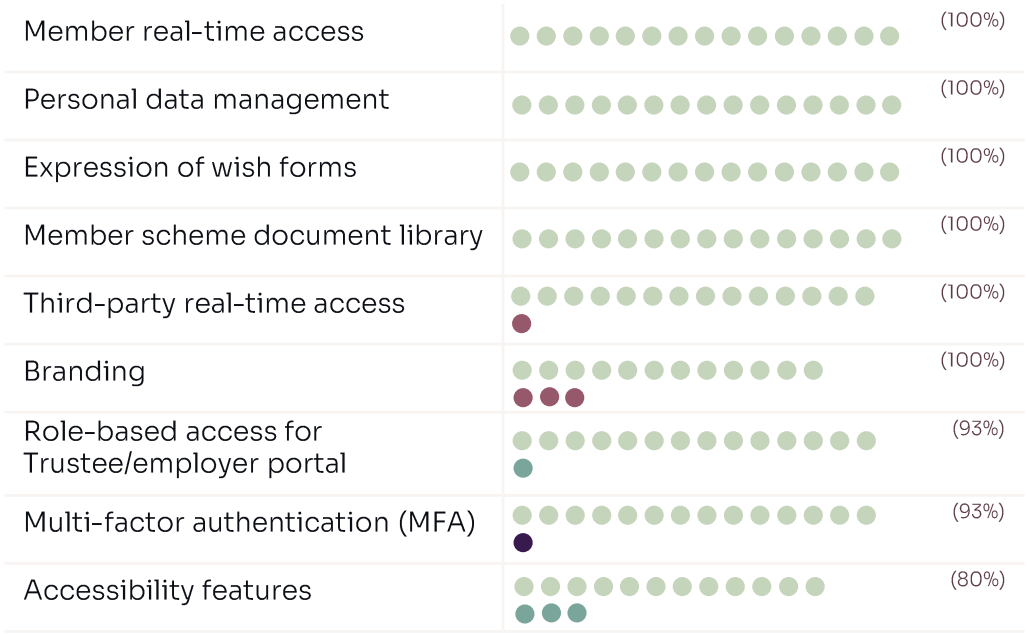
We analysed the availability of 31 digital capabilities across administration providers, distinguishing between functionality provided as ‘standard’, available as ‘an additional service’, ‘future development’, or ‘not currently offered’.

The results show several digital capabilities are available across all providers, with many transactional features approaching market standard. Planned developments are concentrated around transparency tools, authentication and supporting member journeys.

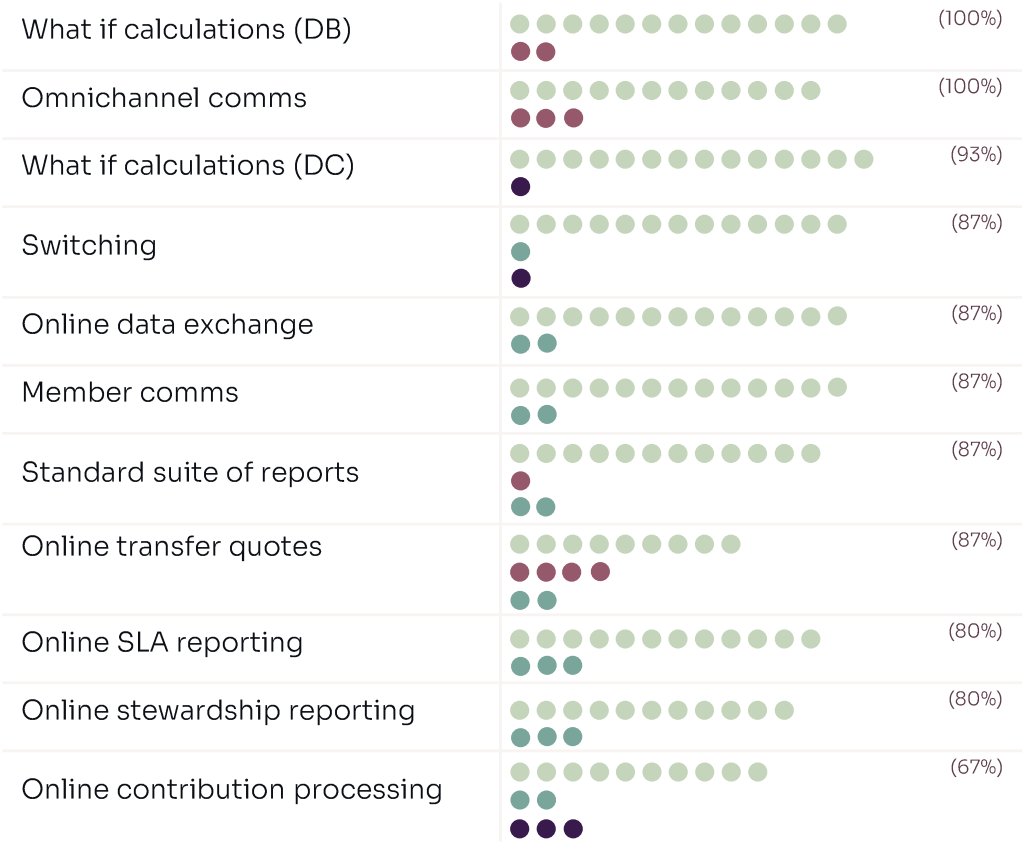
How to read this chart

- provided as **Standard**
- provided in **Addition**
- **Future** capability
- **Not Available**

Core digital foundations



Engagement & Transactions



Percentages represent the proportion of providers offering the capability either as standard or as an additional service.

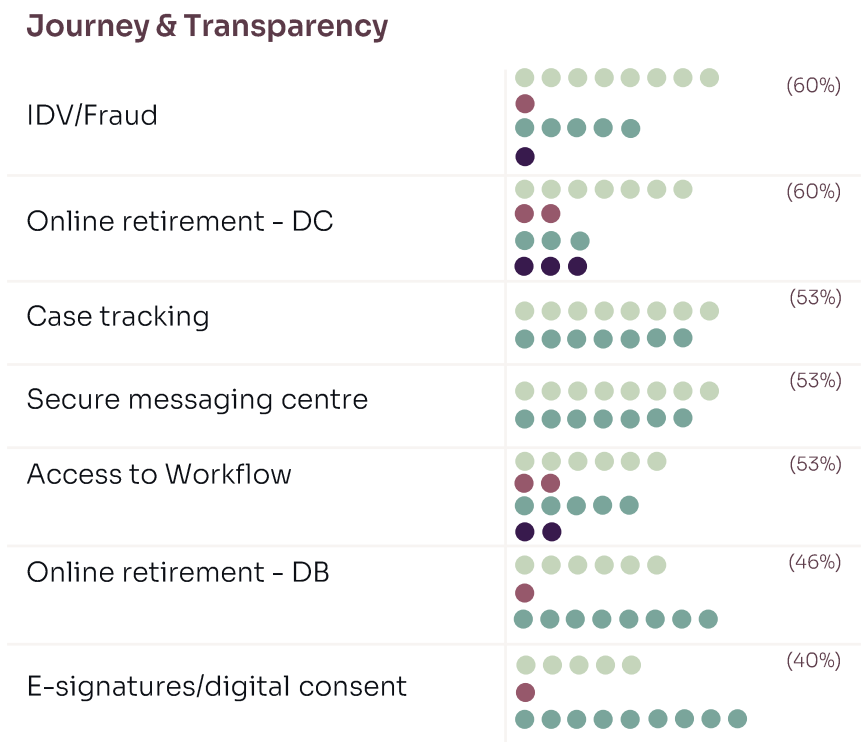
The Next Phase of Digital Evolution

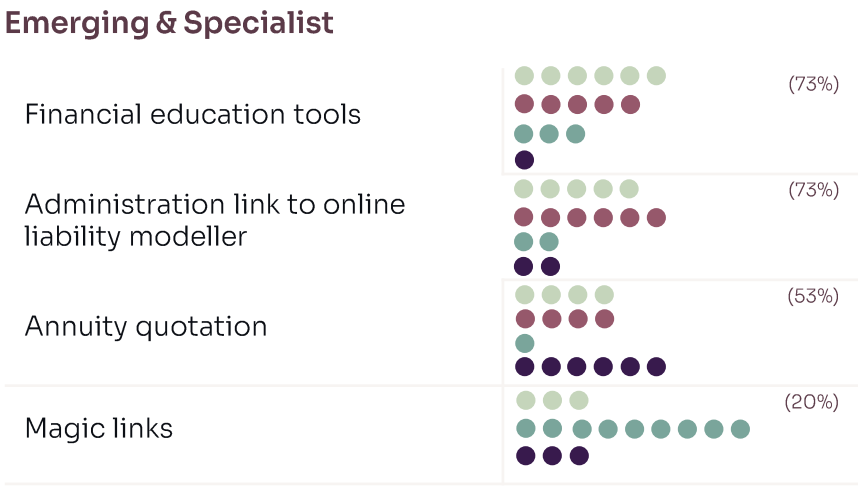
While many core digital capabilities are firmly established, the next phase of market development appears to be centred on enhancing transparency, supporting end-to-end member journeys and strengthening digital authentication. The findings suggest providers are investing in capabilities to improve visibility, streamline interactions and enable more personalised member experiences.

Strong investment pipelines exist for **e-signatures** (60%), **magic links** (60%) and **online retirement – DB** (53%). Transparency tools such as **case tracking** and **secure messaging** are being actively developed with around half of providers planning to introduce these capabilities. However, specialist functionality remains mixed, particularly for **annuity quotations** and **liability modeller links**. This variation is likely to reflect differences in client requirements and provider operating models.

How to read this chart

- provided as **Standard**
- provided in **Addition**
- **Future** capability
- **Not Available**





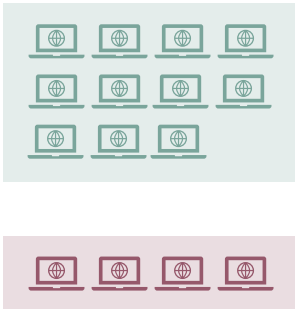
Percentages represent the proportion of providers offering the capability either as standard or as an additional service.

How Providers Charge

Explicit charges for digital services remain uncommon across the market, with most providers including this within their core administration proposition.

Where charges apply, provider approaches vary significantly, ranging from nominal per-member pricing to substantial standalone platform fees.

Provider Approach to Web Functionality



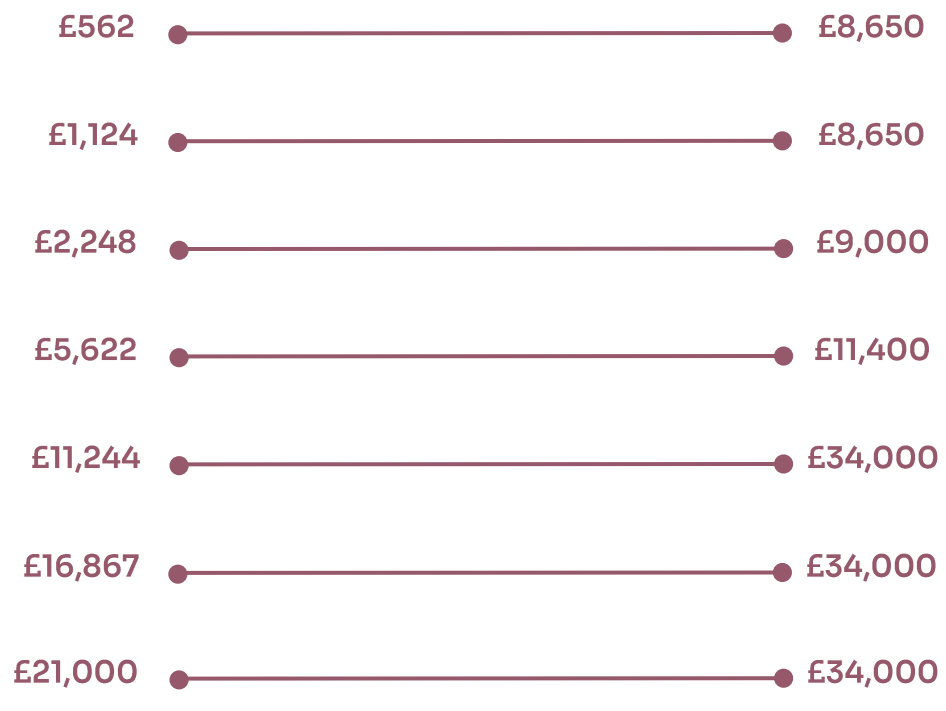
73%

11 of 15 providers include web functionality within their core administration fees

27%

4 of 15 providers apply a separate charge for web functionality

Charging spectrum



KGC Perspective

Digital capability is no longer a differentiator in its own right; it's an expected component of administration delivery.

Digital foundations are now standard

Real-time access, self-service functionality, document libraries and authentication are commonplace.

Investment is shifting to visibility and member journeys

Future development is focusing on visibility, transparency and supporting end-to-end member interactions.

Specialist functionality remains uneven

Retirement journeys, annuity quotations and modelling tool offerings vary between providers.

Commercial approaches are still mixed

Most providers include digital capability within their core administration fee. Where providers explicitly charge, the price is varied.

Core digital capability has become a market expectation rather than a differentiator. Providers are now likely to focus on how they use technology to improve member journeys, operational transparency and service delivery.

5. Governance Integration

The Governance Framework

Governance is increasingly evidenced through operational delivery as much as formal oversight.



Trustee Engagement

- Frequency & structure of interaction with trustees
- Role of administration in governance oversight



Governance Credentials

- Accreditations, controls & industry participation
- Evidence of operational resilience & standards



Governance in Practice

- Supporting members, including vulnerability & tailored services
- Application of governance in practice

Governance is not defined by structure alone, but by how administration supports oversight, assurance and outcomes in practice.

Trustee Engagement

How governance interaction changes with scheme size and complexity.

Trustee Meetings

- Four meetings per year is the clear norm across all scheme sizes
- Most consistent at 5,000 members (79% of providers)
- One meeting per year is largely limited to smaller schemes and is not seen at 10,000 members or above

Administration Meetings

- Four meetings per year remains the core model across all sizes
- A clear split emerges for larger schemes:
  - Quarterly (4 meetings – standard model)
  - Monthly (12 meetings – higher-touch approach)
- Monthly engagement becomes more prevalent from 5,000+ members
- Low engagement (0-1 meetings) is limited to smaller schemes and disappears at 10,000+ members

KGC Insight

Trustee engagement follows a consistent quarterly pattern across the market. Smaller schemes are more likely to operate lighter governance models, with governance structures becoming more consistent as scheme size and complexity grow.

KGC Insight

There is a broader shift towards more frequent administration engagement as scheme size and complexity grow. While quarterly meetings remain the core model, larger schemes are more likely to require additional interaction to support governance activity and ongoing delivery.

Assurance & Standards

How governance frameworks are shaping operational maturity across the market.

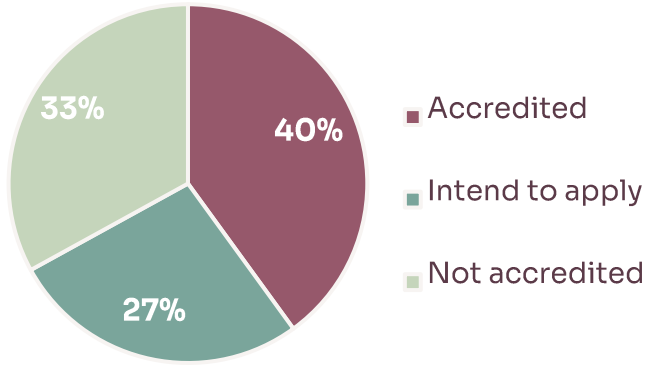
Baseline Assurance

AAF	Cyber Essentials	ISO 27001
100%	93%	87%

These frameworks are an expectation, not a differentiator, reflecting the increased focus from trustees, TPR and scheme sponsors on:

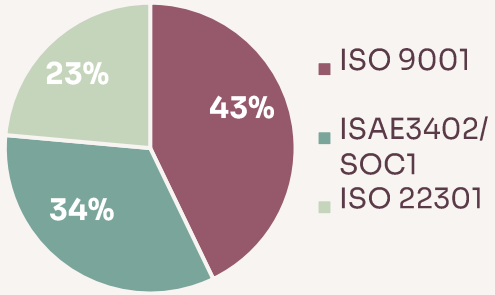
- Data protection & cyber resilience
- Internal controls
- Independent assurance

PASA Accreditation

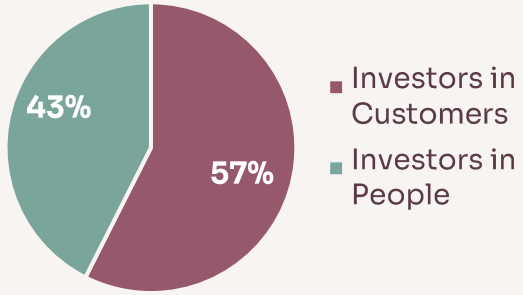


PASA Accreditation acts as a visible marker of operational quality and commitment to industry standards. It's one of the few governance credentials which differentiates providers.

Operational & Service Standard Indicators



Operational Resilience
Adoption beyond core frameworks is varied, suggesting differing levels of operational development across providers.



People & Service Standards
Uptake of people-focused accreditations is relatively low.

KGC Perspective

Governance is shifting from being viewed solely through oversight structures and reporting to being evidenced through operational controls, assurance frameworks and member outcomes. The introduction of Own Risk Assessments (ORAs) is accelerating this shift, increasing the focus on how effectively governance systems operate in practice rather than simply how they are documented.

Governance is evidenced through operational delivery

Governance is being demonstrated through operational controls, documented processes, risk management and delivery oversight. The introduction of ORAs reinforces the need for trustees and administrators to evidence how governance operates in practice.

Assurance frameworks are widely adopted

Frameworks such as AAF, Cyber Essentials and ISO certifications are widely adopted across the market, reflecting a growing focus on operational resilience, control environments and demonstrable governance. Together with ORAs, they are raising expectations around evidencing governance effectiveness.

Accreditation is an area of differentiation

Beyond core frameworks, broader accreditation is varied. This suggests providers are using accreditation to differentiate and demonstrate service quality and alignment with industry standards.

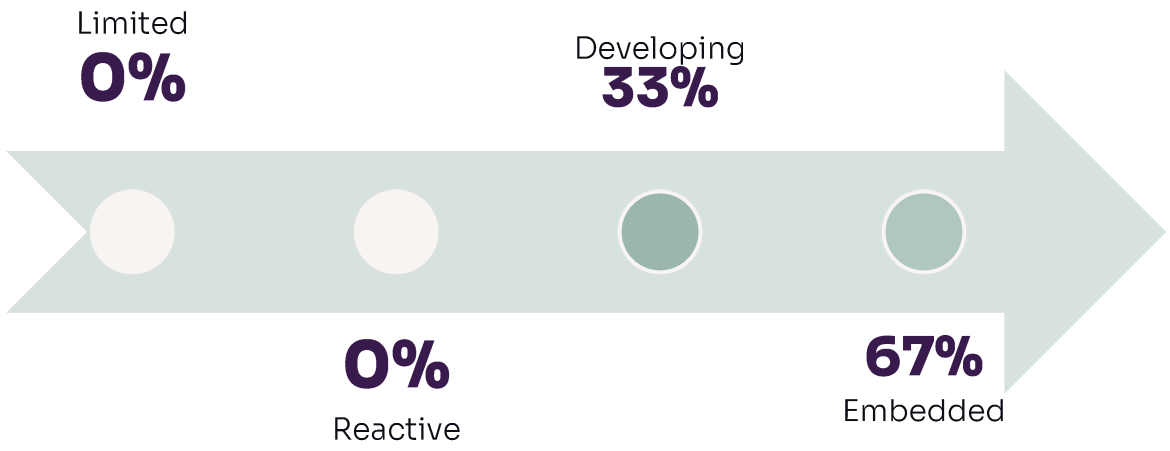
How governance operates in practice provides an increasingly visible indication of operational resilience, delivery quality and organisational maturity.

6. Member Outcomes

Supporting Vulnerable Customers

How providers are embedding support for vulnerable members.

We asked how organisations are structuring and delivering support for vulnerable members to understand how embedded these practices have become across the market.



Respondents demonstrate support for vulnerable customers is **embedded**, with no providers reporting a reactive or limited approach. We are seeing vulnerability being treated as a standard component of service delivery rather than a specialist add-on.

Characteristics of Embedded Support

Vulnerability is actively identified, recorded and supported through defined processes, training and monitoring.

Characteristics of Developing Support

Some processes and guidance are in place, but not yet consistent across all schemes or teams.

Characteristics of Reactive Support

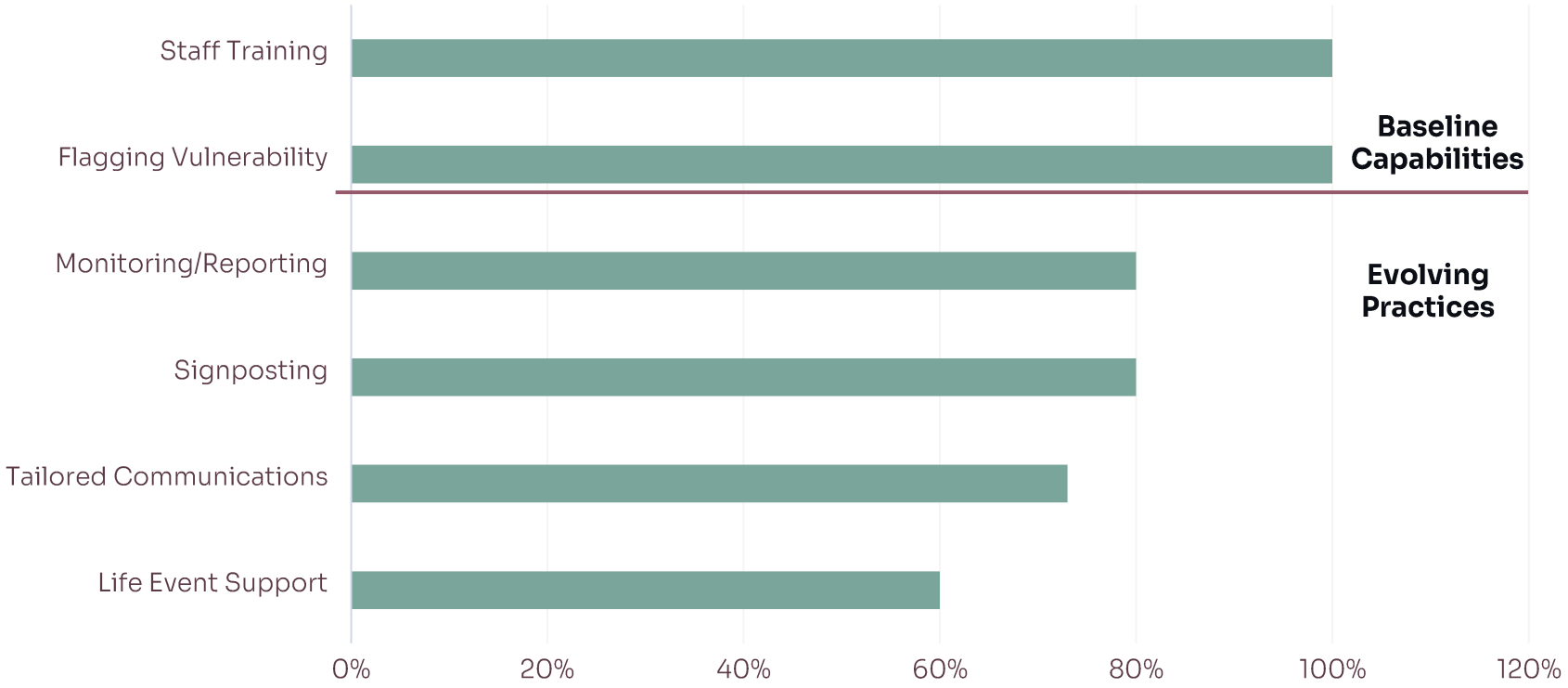
Support is provided when a vulnerability is identified, but there's no formal framework.

Characteristics of Limited Support

There's no specific approach beyond general member support.

From Identification to Personalisation

How vulnerability support is delivered across the market.



Foundations are fully embedded

- Staff training (100%)
- Vulnerability flagging (100%)

Oversight is established

- Monitoring & Reporting (80%)
- Signposting (80%)

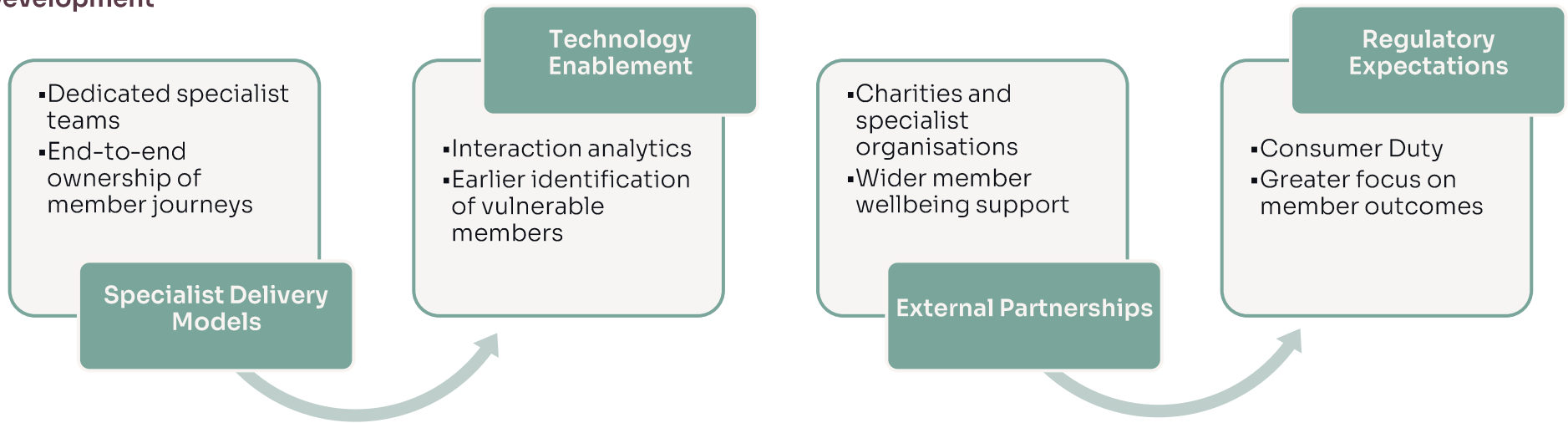
Personalisation is evolving

- Tailored communications (73%)
- Life event support (60%)

KGC Perspective

The market has moved beyond identifying vulnerability towards delivering more personalised support.

Drivers of Future Development



Vulnerability support is taking root
No providers reported a reactive or limited approach, suggesting vulnerability is a standard component of service delivery rather than specialist intervention.

Foundations are firmly established
Training, vulnerability identification and governance processes are in place across the market indicating a high degree of operational maturity.

Personalisation remains the next stage of development
More advanced practices such as tailored communications and life event support are not as widely implemented.

Focus is moving towards outcomes
Providers are combining specialist resource, technology and external partnerships to deliver more proactive and personalised support. Consumer Duty is directly relevant where providers undertake other FCA regulated activities, but its influence on expectations around member outcomes in the trust-based space is growing.

The market appears to have moved beyond asking whether vulnerable members are being supported and is focused on how that support is delivered. As practices mature, attention is shifting from identification towards personalisation, consistency and evidencing positive member outcomes.

7. Operational Pressure & Market Change

GMP – Progress But Not Completion

How schemes are progressing through the equalisation journey.

Reconciliation

The first stage of GMP is now largely complete, moving from an active project to BAU. Most providers are reporting 75-100% completion with several of them stating they are effectively complete (95-100%). One materially lower outlier remains (38%).

Rectification

For schemes who have advanced from GMP reconciliation, GMP rectification is well underway but not complete with a much wider spread (10-90%). However, there's a cluster around 50-75%. Progress is uneven, potentially reflecting scheme complexity, data quality and differences in resourcing or prioritisation.

Equalisation Methodology

Most schemes have decided on their GMPE Methodology. The range is still quite large (30-100%) but the majority sit between 50-75%. For the cohort still undecided, decisions may have been deferred pending wider strategic or transaction activity, including buy-out.

KGC Reflection

GMP reconciliation appears to have been well advanced in both our 12th and 13th Administration Surveys, but this year's responses are more concentrated at the higher end suggesting a more consistently mature position across respondents.

KGC Reflection

GMP rectification remains in progress, with a wide spread of completion levels. There is no simple linear year-on-year shift visible from the dataset. Progress varies materially, however this year's data seems slightly more concentrated in the mid-range.

KGC Reflection

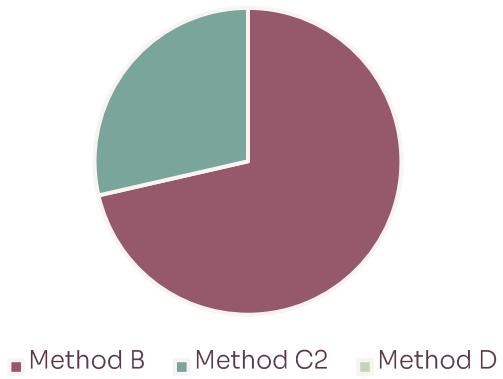
Decisions on equalisation methodology appear well progressed over our 12th and 13th Administration Surveys but not complete across the board. The overall profile looks similar, with a substantial proportion of schemes having agreed an approach but a minority are still to decide.

From Decision to Delivery

How schemes are progressing through the equalisation journey.

GMPE Method Used

The market is largely united on using Method B, with Method C2 as the secondary choice.



GMPE Delivery

GMPE delivery is still relatively early stage. Even where a methodology has been agreed, execution is lagging. Only a few providers are reporting more than 50% completion, with the majority 20-40% complete. In our experience, much of this is down to the operational effort required.

GMP & GMPE Progress

Stage	Market Position
Reconciliation	Largely complete
Rectification	Ongoing
GMPE Methodology	Mostly decided
GMPE Delivery	Still developing

KGC Reflection

The market has largely completed GMP reconciliation and is well progressed on rectification, although some providers are still delivering rectification alongside equalisation. Within GMPE, most schemes have selected their methodology (predominantly Method B), but delivery remains at an earlier stage, with significant operational work still to come.

The matched 2024 and 2026 data suggests GMP reconciliation was already well advanced and became more consistently high by 2026. By contrast, rectification progress and GMPE delivery continue to vary across providers, indicating the remaining work is uneven in both pace and sequencing.

Beyond BAU – What is Driving Demand

The common thread across non-BAU activity.



Data is the common link connecting current projects, regulatory change, strategic transactions and member delivery activity.

Beyond BAU – Where Resource Is Being Consumed

Where providers are concentrating resource beyond core administration.

Data-Led Activity	GMP	Pensions Dashboards
Data is overwhelmingly the core driver across responses. Administrators say they are being asked to look at: • Data cleansing/remediation • Data audits and quality assessments • Data gap analysis • Tracing and record validation • Data preparation for other projects	GMP continues to generate substantial project demand through: • Reconciliation • Rectification • Equalisation • Linked communications	This was consistently referenced across responses with key activities including: • Readiness assessments • Data preparation and cleansing • Connectivity/integration • Ongoing compliance with standards
De-risking & Transactions	**Regulatory & Compliance-Driven Projects**	**Member Delivery & Communications**
This was very prominent and often linked to data work, responses included: • Buy-in/out preparation • Insurer transactions • Risk transfer data packs • Wind-up activities • Post-transaction clean-up	Regulatory change continues to generate significant non-discretionary work, with administrators highlighting: • TPR Administration Guidance compliance • McCloud/2015 remedy • Data Protection Impact Assessments • Cyber resilience and fraud prevention	These are often embedded within other projects, for example: • GMPE communication • Dashboard related engagement • Wind-up communication • Change programme support

Dashboards Connectivity - A Market in Transition

Looking beyond connectivity percentages to understand market progress.

Average	Median	Leading Cohort
45%	40%	75-90%

Progress remains uneven

- A leading cohort reports 75-90% connectivity
- Most providers are clustered around 30-50%
- A smaller cohort remains below 30%
- Progress reflects scheme profile and strategic timing

Delivery is being prioritised

- Smaller schemes are often being connected later
- Buy-out activity is influencing sequencing decisions
- Connection activity reflects operational and commercial priorities

Confidence remains high

- Providers consistently express confidence in delivery
- Lower connectivity does not necessarily indicate concern
- Progress looks phased rather than delayed

Dashboard connectivity reflects a market in active transition. Progress varies between providers with differences appearing to be driven by scheme profile, strategic priorities and buy-out activity rather than an inability to deliver.

Workforce Strategy

How providers are responding to recruit and retain talent in a consolidating market.

Typical employee turnover

5–10%

Core Retention Strategies

Career development/ progression	Investment in technology/ automation	Flexible/remote working	Pay and benefit increases	Offshore resourcing	Other approaches
93%	93%	93%	80%	33%	13%

Key themes shaping workforce strategy

Focus on sustainability

Top approaches focus on long-term sustainability through career development, technology investment and flexible working.

Technology as a retention tool

Automation is being used to reduce manual workload, improve employee experience and make roles more attractive.

Flexibility is a baseline marker

Flexible and remote working is a standard offering. Differentiation is shifting towards culture and development.

Offshoring remains selective

33% use offshore resources. Approaches vary with some embracing professionalised models and others focusing on quality and culture.

Investing in early talent pipelines

Apprenticeships and structured development programmes are being used to grow talent internally and build future capability.

KGC Perspective

The challenge is no longer delivering individual projects. It's managing multiple overlapping programmes simultaneously.

The New Administration Environment



Legacy demand persists

While reconciliation activity is largely complete, GMP remains a significant source of ongoing delivery work reflecting the long-tail nature of major administration projects.

Data underpins delivery

Across dashboards, de-risking, GMP and regulatory activity, data emerged as the common thread, determining readiness, delivery pace and project success.

Capacity is being managed, not overwhelmed

Despite sustained operational pressure, workforce stability remains relatively strong, suggesting providers are adapting their delivery models rather than experiencing widespread disruption.

Resilience is becoming strategic

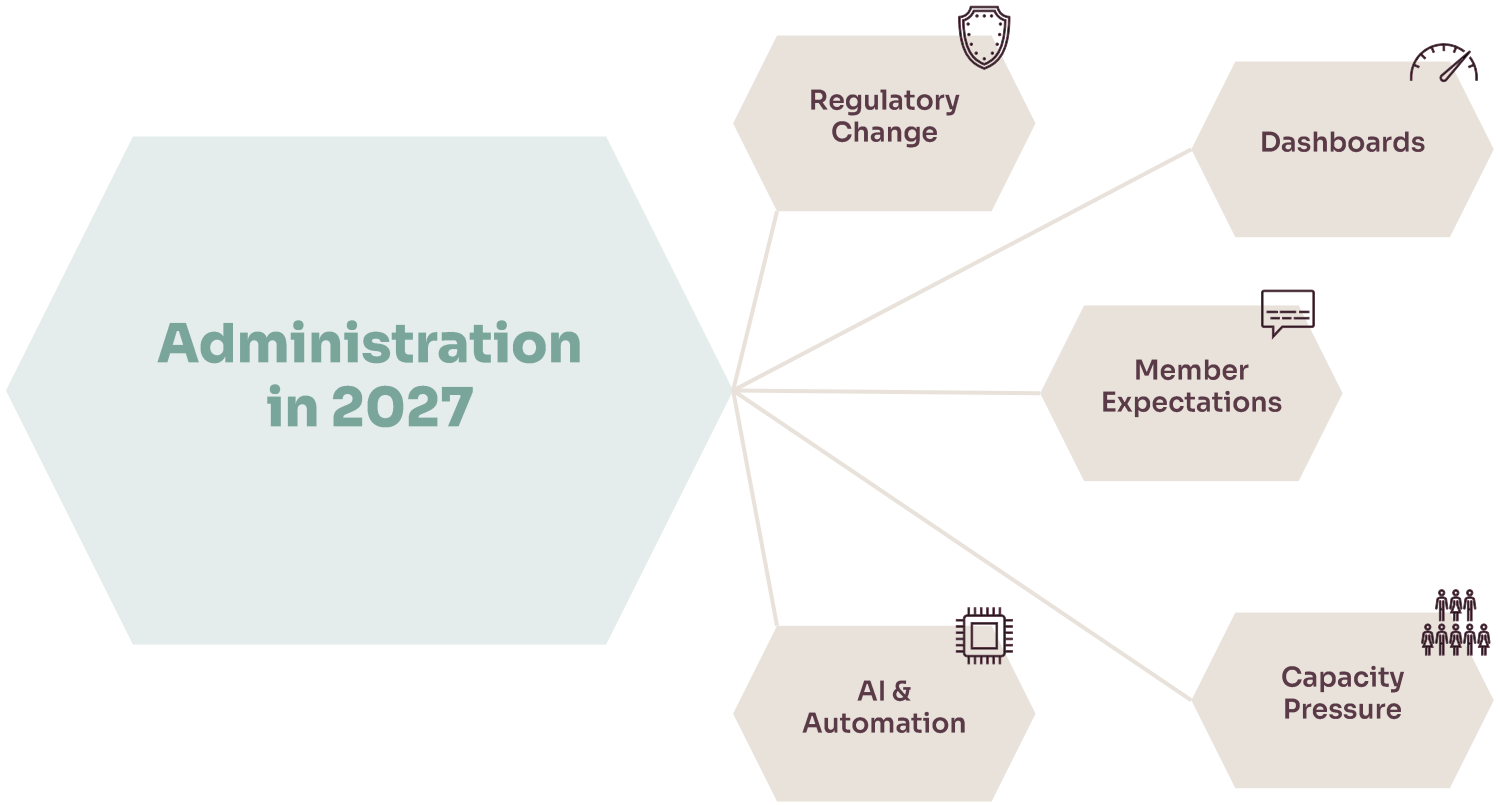
The challenge is no longer delivering individual projects. Success depends on managing multiple interconnected programmes while maintaining service quality and member outcomes.

Administration providers are operating in an environment of continuous change, where legacy obligations, regulatory requirements and strategic transactions overlap. The strongest delivery models are those capable of co-ordinating multiple concurrent programmes while maintaining operational resilience and service quality.

8. Industry Outlook & Strategic Direction

Industry Outlook & Strategic Direction

The themes administrators believe will shape the next phase of market evolution.



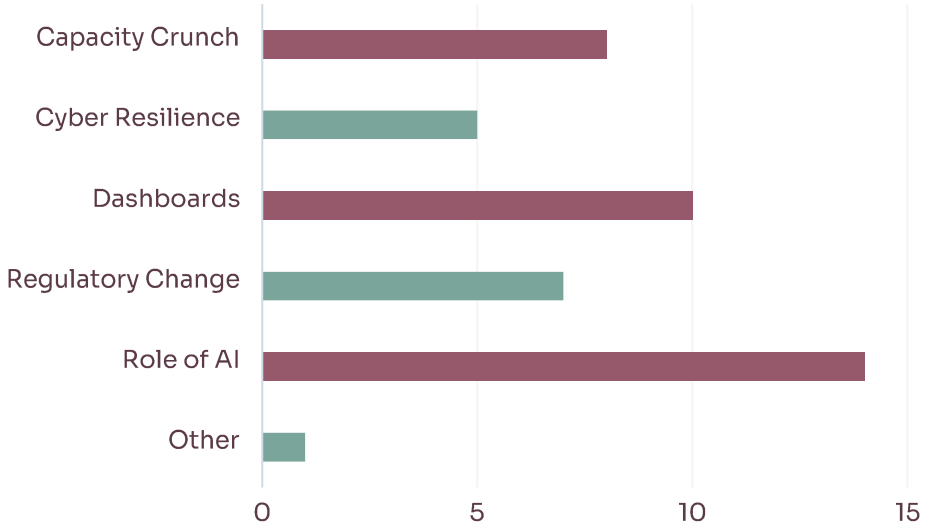
Key Themes

- Capacity pressure is driving technology investment
- Providers are managing multiple transformation programmes simultaneously
- Operating models continue to evolve in response to sustained demand

The Forces Shaping Administration's Next Phase

How technology, regulation and capacity pressures are reshaping administration.

Administrators were asked to rank the three areas they thought would have the biggest impact on administration over the next 12-18 months.



For comparison, wider industry respondents were separately asked to identify the single biggest pressure facing administration.

Capacity constraints
36%

Role of AI and automation
28%

Pensions dashboards
22%

Regulatory change
15%

What this tells us about the market

Administrators are looking at solutions – AI and automation are viewed as having the biggest influence on administration delivery.
The wider industry is still focused on capacity constraints – suggesting technology is being viewed as a response to operational pressure rather than innovation for its own sake.

Strategic Themes Shaping the Market

What administrators believe is shaping the future market.



Digital Transformation

- Automation and efficiency
- Digital member engagement
- Reduction of paper-based delivery



Regulation as a Catalyst

- Pensions dashboards
- LTA abolition
- TPR Guidance
- DWP Consultations



Resilience & ESG

- Cyber resilience
- Data protection
- ESG alignment



De-risking & Endgame

- Buy-in/out activity
- Insurer transactions
- Endgame planning



Workforce & Capacity

- Skills shortages and competition
- New capability requirements
- Offshore models
- Technology investment



Member Experience

- Vulnerability and consumer duty
- Life event support
- Clear, accessible communications

The additional themes raised by respondents reinforce a consistent message: ***administration is no longer defined by administration alone.***

Technology, regulation, member outcomes, workforce capability and endgame activity are not individual considerations but overlapping influences shaping future delivery models.

KGC Perspective

The findings highlight a market in transition. Technology, regulation, operational delivery and member expectations are shaping how administrators operate now and in the future.

Administration is broadening its role	The role is extending beyond transaction processing. Member outcomes, communication quality, governance and strategic transactions are shaping what good administration looks like. Administrators are expected to contribute to long-term value, not just day- to-day administration.
Technology is moving from innovation to infrastructure	AI, automation and digital capability are viewed as core delivery tools. Technology is fundamental to managing complexity, scaling delivery and improving outcomes.
Capacity remains the market's limiting factor	Technology may influence what is possible, but workforce capability and delivery capacity continue to determine what can be delivered and how quickly. Investment in skills and sustainable resourcing remains critical.

Administration is increasingly being asked to support activities that extend beyond traditional processing and casework. Member outcomes, strategic transactions, governance expectations and regulatory change are all influencing what schemes expect fromtheir administrator.

9. Final Thoughts

So, What's Next?

The evidence throughout this report points in one direction. Administration is no longer simply supporting pension schemes; it's shaping how effectively they operate. While there is consistency around the services considered fundamental to administration, significant differences remain in how providers structure, price and deliver those services.

That distinction is important. Headline comparisons can only tell part of the story. Throughout the research, similar services are delivered through different operating models, supported by different technologies and wrapped within different commercial structures. In some areas, particularly pricing, the level of variation raises questions about whether apparently comparable propositions are always as comparable as they first appear.

At the same time, the demands placed on administrators continue to broaden. Data, dashboards, regulatory change and de-risking activity sit alongside day-to-day delivery, while expectations around digital capability, operational resilience and member experience continue to develop. Providers are responding through investment in people, technology and operating models, but the pace and nature of that response differs across the market.

Perhaps the clearest conclusion from this year's research is understanding that an administration proposition requires looking beyond the core service itself. What is included, how services are delivered, where responsibility sits and how a provider is investing for the future are becoming just as important as the headline fee.

For trustees and sponsors, this makes the conversation with administrators more important, not less. As the market continues to evolve, the challenge will be less about comparing administration services on paper and more about understanding the capability, investment and long-term partnership sitting behind them.

Administration is at a pivotal moment. After years of evolving largely behind the scenes, the industry is paying attention. The challenge now is to ensure that greater scrutiny leads to a better understanding of what good administration looks like, what it requires and the value it brings.

A. Core Services

List of Core Services

No.	Core service
1	Ongoing data governance and data quality management (including monitoring, maintenance and incremental improvement of member data as part of BAU administration, but excluding large-scale or project-based data cleanse exercises)
2	Regular benefit calculation audits
3	Bespoke Administration Stewardship Report
4	Input to and production of Annual Benefit Statements (SMPI)
5	The Pensions Regulator reporting requirements on behalf of the Trustees
6	Liaison with Investment Manager/Consultants/Scheme Actuary/Risk Benefit Provider/AVC Providers when required
7	Administration of AVC arrangements including acting as lead Administrator to AVC providers
8	Co-ordination and distribution of annual AVC statements
9	Production and safe keeping of members' 'Expression of Wish' forms
10	Direct branded telephone/email for members
11	Provision of regular Management Information Statistics (MIS) to Trustees of scheme activity
12	Administration Guide
13	Automatic existence checking for pensioners (e.g. minimum monthly)
14	Insured risk administration
15	Scam service in line with PSIG's Code of Good Practice for Practitioners
16	Attendance at trustee meetings

No.	Core service
17	Educate the Trustees on pension administration matters, give general advice on scheme administration activities
18	Issue periodic communications to Trustees on industry administration practice and developments
19	Operational cyber security controls and incident response support relating to administration services (including administration specific controls, incident management support and liaison with trustees where relevant, excluding responsibility for sponsor or third-party IT environments)
20	Working with trustees to input to scheme's own BCP and cyber policies
21	Act as Scheme Practitioner
22	Complete Tax returns and deal with any payments to HMRC
23	Management/operation of Trustee bank accounts, cash and benefit payments
24	Transaction summary (quarterly – minimum)
25	Production of draft Annual Report & Accounts
26	Arrange/facilitate annual audit
27	Cashflow management – reconciliation of payments/receipts (monthly minimum)/obtain and check bank statements
28	Annual payslip production and periodic payslip if pension changes by more than £10
29	Annual P60
30	Provide LTA information to pensioners
31	Pensioner correspondence and payroll liaison with administration

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