



L&G Endgame Insights: Over half of UK DB pension schemes considering surplus extraction during run-on or at buyout

- Latest report revealed that enhancing DB member benefits was an overall top priority for trustees
- 57% of schemes now considering surplus extraction – whether during run-on, at the point of buyout, or in the years leading up to it
- 24 pension schemes that L&G moved to buyout in 2025 used surplus to enhance their members' benefits

L&G has today released its latest Endgame Insights [report](#), drawing on a trustee survey conducted in partnership with the Pensions Management Institute (PMI). The report explores how rising funding levels are influencing trustees as they approach endgame and highlights the key trends shaping endgame strategies across the industry.

The research shows that a clear majority of schemes expect insurance to play a central role in their de-risking journey. It also reveals a notable proportion exploring run-on approaches, either as a long-term strategy or for a period before securing their members' benefits with an insurer. Reflecting this shift, 57% of schemes surveyed are now actively considering surplus extraction – whether during run-on, at the point of buyout, or in the years leading up to it. This is consistent with L&G's practical experience, where 24 pension schemes that it moved to buyout in 2025 used surplus to enhance their members' benefits.

Endgame planning at the top of the agenda

Over the past year, trustees and corporate sponsors have been navigating one of the most significant shifts in endgame planning, shaped by rising funding levels, regulatory reform and a widening set of strategic options. The survey results underline how the landscape is shifting, with almost half of schemes surveyed (49%) now fully funded on a buyout basis, placing endgame planning at the top of the agenda.

The government is making it easier for well-funded DB schemes to release surplus when 'safe to do so', underpinned by its intention to unlock some of the £135bn of surplus funds (on a low dependency basis, as of 31 December 2024) for reinvestment into the UK economy.

Against this backdrop, the survey revealed that among trustees considering surplus extraction, preferences for how that extracted surplus was used, were mixed across the cross section of different trustees. Survey respondents ranked enhancing DB member benefits as a top priority, followed closely by supporting a DC scheme or returning surplus to the sponsor, with investing in UK assets as the lowest priority.

Mark Johnson, Head of UK - Institutional & Wholesale, Asset Management, L&G, commented: "The UK's defined benefit landscape is entering a new phase of maturity. Our new research shows that schemes now have more choice than ever and endgame is front and centre of their agendas. The trustees we speak to are actively considering how they might use surplus, settle their liabilities via an insurer or superfund, or run on for longer. At L&G, we pride ourselves on our partnership approach, working closely with trustees as they navigate fast-moving market changes and secure the best outcomes for their schemes and members."



The report highlights that the UK PRT market delivered a record number of transactions in 2025, with insurers securing around £40 billion of members' benefits across more than 350 transactions, continuing a four-year run of increasing transaction activity. It also considers how trustees and sponsors are increasingly taking advantage of attractive insurer pricing to recognise surplus at buyout and deliver meaningful benefit enhancements for members. The report also looks at how non-pricing factors are becoming increasingly important in insurer selection decisions, highlighting the importance of insurer financial strength, a high-quality member experience and the credibility of a recognised brand with a strong track record in the market.

John Towner, Managing Director of UK PRT, L&G, added: "Demand for insurance solutions continues to rise and trustees are becoming increasingly discerning in choosing an insurer to partner with. At L&G, we are continuously innovating to give schemes greater flexibility as they approach the market and transition to buyout. Delivering excellent care for members is fundamental to our ethos, and we are investing millions of pounds to further enhance our service and the technology that sits behind it. In this new era of choice and flexibility, our whole of market capabilities give us a unique vantage point across DB, DC and retirement solutions. It means we can bring together the right expertise to offer schemes a joined up approach that supports scheme decision making and delivers strong outcomes for members."

L&G's survey findings also suggest a renewed confidence that smaller schemes will be a significant part of buy-in and buyout transaction volumes going forward, with 84% of respondents agreeing that being a smaller scheme would not inhibit their ability to transact. The survey also revealed progress on the expected time between a buy-in and buyout. 34% of respondents who had already completed a buy in said they expect to move to buyout within the next two years, and a further 41% plan to do so within three to five years.

The endgame landscape continues to evolve

Regulatory developments, including expected changes that could make superfund transfers more accessible, are increasing the range of options available to schemes. While additional choice is positive, the report demonstrates the need for greater understanding of member security, risk, and governance differences between models such as run-on, superfunds, and buyout. This is paramount for trustees determining the most suitable path for their scheme.

The report concludes that in order for schemes to secure their members' benefits with an insurer, thorough preparation – including robust governance and early, proactive engagement – will be key in making sure schemes are in the strongest position possible to achieve the best outcomes for their members.

-ENDS-



Notes to editors

Methodology

The Pensions Management Institute (PMI) was commissioned by L&G to conduct the survey which took place between 20th October 2025 and January 28th 2026. PMI surveyed trustees across 77 pension schemes, with a combined total AUM of £611bn. As part of this report, PMI and L&G jointly developed and approved all questions included in the survey and managing the data collection process, while L&G provided the survey link to potential participants. All responses to the survey were anonymised.

You can read the full report here: [Endgame Insights 2026 - Home](#)

About L&G

Established in 1836, L&G is one of the UK's leading financial services groups and a major global investor, with £1.2 trillion in total assets under management (as at FY25) of which c. 43% (c. £0.5 trillion) is international. We have a highly synergistic business model, which continues to drive strong returns. We are a leading player in Institutional Retirement, in Retail Savings and Protection, and in Asset Management through both public and private markets. Across the Group, we are committed to responsible investing and dedicated to serving the long-term savings and investment needs of customers and society.

About our Asset Management business

L&G's Asset Management business is a major global investor across public and private markets, with £1.2 trillion in total assets under management (as at FY25) of which c. 43% (c. £0.5 trillion) is international. Our clients include individual savers, pension scheme members and global institutions.

We provide investment solutions from index-tracking and active funds to liquidity and liability-based risk management strategies. Our investment philosophy and processes are focused on creating value over the long term. We believe that incorporating financially material sustainability criteria, when relevant to our clients, can create value and drive positive change. This reflects L&G's purpose: 'Investing for the long term. Our futures depend on it.'

About Pensions Management Institute

The Pensions Management Institute (PMI) is the UK's leading professional body for those working in pensions and retirement savings. With over 8,500 members, the PMI represents the broadest range of pensions professionals and trustees in the country. Its members are responsible for managing and advising some of the world's largest pension schemes, making key decisions on substantial financial matters.

With more than £1 trillion invested in UK pensions, PMI members play a vital role in shaping the nation's financial future. With five decades of experience, PMI remains at the forefront of pensions education and thought leadership.

Further information

Name: Andrew Gates

Role: Head of External Communications

Business: Asset Management



Email: andrew.gates@lgim.com

Key Risks

The value of an investment and any income taken from it is not guaranteed and can go down as well as up, and the investor may get back less than the original amount invested. Past performance is not a guide to future performance. The details contained here are for information purposes only and do not constitute investment advice or a recommendation or offer to buy or sell any security. The information above is provided on a general basis and does not take into account any individual investor's circumstances. Any views expressed are those of L&G as at the date of publication. Not for distribution to any person resident in any jurisdiction where such distribution would be contrary to local law or regulation.

A summary in English of investor rights associated with an investment in the fund is available from www.lgim.com/investor_rights.

The risks associated with each fund or investment strategy are set out in the key investor information document and prospectus or investment management agreement (as applicable). These documents should be reviewed before making any investment decisions. A copy of the English version of the prospectus and the key investor information document for each fund is available at <https://fundcentres.landg.com/> and may also be obtained from your Client Relationship Manager.

A decision may be taken at any time to terminate the arrangements made for the marketing of the fund in any EEA Member State in which it is currently marketed. In such circumstances, shareholders in the affected EEA Member State will be notified of this decision and will be provided with the opportunity to redeem their shareholding in the fund free of any charges or deductions for at least 30 working days from the date of such notification. Where required under national rules, the key investor information document will also be available in the local language of the relevant EEA Member State.

Information on sustainability-related aspects on the funds is available on <https://fundcentres.landg.com/> the decision to invest in the funds should take into account all the characteristics or objectives of the fund as described in its prospectus and in the key investor information document relating to the fund.

This financial promotion is issued by Legal & General Investment Management Ltd in the UK. Registered in England and Wales, No. 02091894. Registered office: One Coleman Street, London EC2R 5AA. Authorised and regulated by the Financial Conduct Authority.

In the European Economic Area, this document is issued by LGIM Managers (Europe) Limited, authorised and regulated by the Central Bank of Ireland as a UCITS management company (pursuant to European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and as an alternative investment fund manager (pursuant to the European Union (Alternative Investment Fund Managers) Regulations 2013 (as amended)). LGIM Managers (Europe) Limited's registered office is at 70 Sir John Rogerson's Quay, Dublin, 2, Ireland and it is registered with the Irish Companies Registration Office under company no. 609677.

LGIM Managers (Europe) Limited operates a branch network in the European Economic Area, which is subject to supervision by the Central Bank of Ireland. In Italy, the branch office of LGIM Managers (Europe) Limited is subject to limited supervision by the Commissione Nazionale per le società e la Borsa ("CONSOB") and is registered with Banca d'Italia (no. 23978.0) with registered office at Piazza della Repubblica 3, 20121 - Milano (Companies' Register no. MI - 2557936). In Sweden, the branch office of LGIM Managers (Europe) Limited is



subject to limited supervision by the Swedish Financial Supervisory Authority (“SFSA”). In Germany, the branch office of LGIM Managers (Europe) Limited is subject to limited supervision by the German Federal Financial Supervisory Authority (“BaFin”). In the Netherlands, the branch office of LGIM Managers (Europe) Limited is subject to limited supervision by the Dutch Authority for the Financial Markets (“AFM”) and it is included in the register held by the AFM and registered with the trade register of the Chamber of Commerce under number 74481231. Details about the full extent of our relevant authorisations and permissions are available from us upon request