



ASSOCIATION OF PROFESSIONAL PENSION TRUSTEES

PRESS RELEASE

APPT evidence on discretionary pension increases underscores importance of retaining trustees' ability to exercise judgement

23 October 2025: In [written evidence](#) to a Work & Pensions Select Committee investigation examining how discretionary increase decisions are presently made by pension schemes, including pre-97 increases, the Association of Professional Pension Scheme Trustees (APPT) has said pension scheme trustees should not lose the ability to exercise discretion

APPT says in its evidence that complex decision making, based on taking professional advice and considering the full range of factors, risks and stakeholders is core to the role of trustees and there is a risk of unintended consequences if this discretion was to be removed, and of simply adding to the regulatory burden faced by trustees and sponsoring employers.

With surplus release of increasing interest to many sponsors and schemes, heightened by the Pension Schemes Bill's proposed new flexibilities, APPT added that the approach to pre-1997 discretionary pension increases should be a central part of any surplus discussion. Trustees and sponsoring companies should engage early in agreeing robust frameworks taking into account all relevant factors, of which the impact of inflation on members' benefits is one factor.

The introduction of flexibility for trustees to be able award lump-sum discretionary payments to members in appropriate circumstances would be welcomed, as stressed in the APPT's earlier evidence on [surplus release](#).

APPT Chair, Rachel Croft, commented:

"It must be remembered that discretionary increases are by definition not mandatory. Trustees, increasingly helped by the guidance of professional trustees, are best placed to navigate the labyrinth of variables and work to the right answer for the members and the sponsoring companies, balancing often competing interests and managing risk. One size will not fit all and in any given set of circumstances it is possible for there to be a range of reasonable outcomes.

"There is a danger that, through public debate, an expectation is created by implying discretionary increases should always be granted or are the first port of call. This may miss out the nuances when the circumstances do not make it either affordable or practical or where awarding discretionary increases would risk impacting the ability to deliver the benefits set out in the scheme rules.

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Notes to editors:

The **Association for Professional Pension Trustees (APPT)** is the industry body for professional trustees of occupational pension schemes, working to encourage best practice within the sector and promote the interests of its members. Our members work as professional trustees at over 2,000 schemes of all types, including many trustee boards for defined benefit and defined contribution schemes including DC master trusts. Our members each typically work on multiple appointments and in total are responsible for managing schemes with assets of over £1,2 tn. The APPT is one of the two recognised accreditation bodies for professional trustees, responsible for promoting and maintaining high standards amongst practitioners. Every year, members have to renew their accreditation, confirming they are working to the standards required and evidencing they have pursued their professional development over the preceding 12-months.

Association of Professional Pension Trustees

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