



HOUSE OF COMMONS

LONDON SW1A 0AA

The Rt Hon Andy Burnham MP
Prime Minister
10 Downing Street
London
SW1A 2AA
Our Ref: FV03540

26 August 2026

Dear Prime Minister,

Re: Re: Pre-1997 Pension Benefits and the Pension Schemes Act 2026

I am writing on behalf of a number of constituents who have contacted me regarding the treatment of pre-1997 pension benefits under the Pension Schemes Act 2026 and the proposed secondary legislation.

Many are members of defined benefit pension schemes whose pre-1997 accrued benefits are not protected against inflation. Over time, this has led to a significant erosion in the real value of their pensions, despite years of contributions and service.

Their concern is that, while the Government's reforms create greater flexibility around the use of pension scheme surpluses, there appears to be no corresponding requirement to consider improvements to members' benefits, particularly for those affected by the absence of inflation protection on pre-1997 service.

Constituents are not challenging the principle of surplus extraction. Rather, they question whether schemes with substantial surpluses should be permitted to release those funds without first considering whether long-standing issues affecting scheme members can be addressed. Many believe that where schemes are sufficiently well funded, members should share more directly in the benefits of that success.

I would therefore welcome clarification of the Government's position and ask whether consideration will be given to strengthening the secondary legislation so that trustees and sponsoring employers are required to demonstrate how members' interests have been taken into account before surplus extraction or buy-out arrangements proceed.

Given the number of constituents who have raised this issue, I would be grateful for your response.

Yours sincerely,

Freddie van Mierlo MP for the Henley and Thame constituency