

Pensions SORP 2026; Webinar Briefing



Thursday 19 March 2026

Agenda

- 1 Introductions
- 2 Pensions 2026 SORP structure
- 3 What's not changed
- 4 Consultation responses
- 5 Fund account
- 6 Statement of net assets (available for benefits)
- 7 Other disclosures/matters and financial statements
- 8 Annual report
- 9 Call to action

Please note that this webinar is not an exhaustive list of all matters covered within the documentation released. Please read the full document (including the Basis for Conclusions) for a detailed understanding and analysis.

PRAG SORP Working Party

- ❖ Andy Lowe (Chair)
- ❖ Rachel Jervis (Secretary)
- ❖ Andrew Mandley
- ❖ Chris Marshall
- ❖ Elaine Phillips
- ❖ John Moffat
- ❖ Lara Finbow
- ❖ Lauren Carlyle
- ❖ Lydia Song
- ❖ Nadia Dabbagh-Hobrow
- ❖ Philip Briggs
- ❖ Ryan Orton
- ❖ Shona Harvie
- ❖ Steve Balmont
- ❖ Victoria Bell

With
thanks:

Introductions

01

Introductions –
Andy Lowe
(Chair of the SORP
Working Party).

02

PRAG and the
SORP Working
Party's role
and reach.

03

FRS-102 (revised) –
Issued in March
2024, effective from
1 January 2026.

04

SORP update process – Wide reaching
planning consultations; Working party
and PRAG topical debates and reviews;
Public consultation, FRC review.

05

Webinar topics,
please use the Q&A
function throughout
the webinar.

*The 2026 SORP is required to be adopted for all
periods beginning on or after 1 January 2026*



Pensions 2026 SORP structure

Preface

Section 2 – Annual Report
(updated)

Appendix 1 – Illustrative
financial statements
(refreshed and updated)

Appendices 3 to 5 –
Disclosure regulations
(updated)

Basis for Conclusions **(new)**

Section 1 – Introduction

Section 3 – Statement of
Recommended Practice (SORP)
(revised)

Appendix 2 – Illustrative
Trustees' Report **(new)**

Appendix 6 – Illustrative levels
for common investment types
(updated)



What's not changed



No long-term liabilities in relation to promised retirement benefits.

One SORP for all relevant pension schemes.

Location of investment risk disclosures.

Accounting treatment options for annuity income (income vs sales).

DC governance statement, Implementation statement, Sustainability disclosure (TCFD) requirements.

Consultation responses

100%

Fair value: the use of bid pricing

78%

Removal of insurer valuations

96%

Inclusion of liquidity risk

89%

No mandated inclusion of inflation risk

96%

Separate disclosure of sole investor pooled funds

91%

Sole investor fund look through requirements

67%

Provided additional comments

Fund account



Contribution types,
examples expanded

Transfers out
(individual and group)

Purchase of annuities –
on retirement and
deferred

Defined contribution
schemes - benefits

Investment income
versus sales proceeds in
investments (annuities
and distributions)

Investment income and
investment expense

Investment
transaction costs

Use of surplus,
contribution disclosure
requirements, surplus
return accounting

Statement of net assets (available for benefits)

- Investment strategies and vehicles (evolving since 2018) and related accounting/narrative.
- Sole investor funds, positioning and disclosure.
- Removal of 'Other investments'.
- Longevity swaps = insurance policies.
- Clarification on the determination of the fair value of investments (bid vs mid and no conterminous valuation point).
- Annuity/insurance/buy-in policies, valuation, disclosure and in-specie transfers.
- Derivatives, accounting and disclosure.
- Repurchase agreements (including short-sold bonds) guidance.
- Cash and cash equivalents.
- Investment reconciliation table.
- Investment risk disclosures/narrative (including liquidity risk).
- Pooled investment vehicles – extended fair value hierarchy and risk analysis.
- Non-current liabilities.
- Buy-outs.

Other disclosures/matters and financial statements



- 01 Impact on Master Trusts and Defined Contribution Schemes.
- 02 Related party transactions, expanded examples and disclosures.
- 03 Contingent liabilities.
- 04 Clarification of prior year adjustments and reclassifications.
- 05 Employer-related investments (5%).
- 06 Going concern guidance.
- 07 Form and content; order; include and exclude; form of approval; materiality.
- 08 Language and terminology changes to be consistent with FRS 102, for example, use of 'shall' in most cases, and 'accounting policy information'. Use of plain English.
- 09 Financial statements must be flexed to individual schemes. Additional elements are at the discretion of the Trustees.

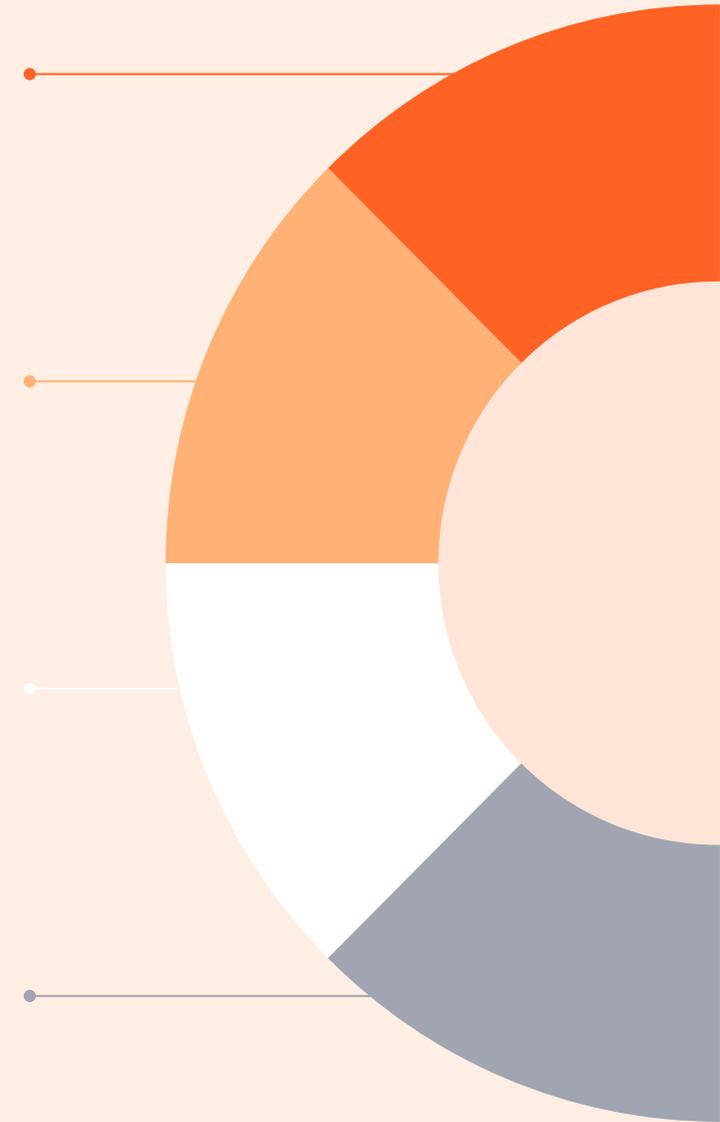
Illustrative covers required content and disclosures only (form and content); additional elements are at the discretion of the Trustees.

Annual Report must be flexed to individual schemes.
Relevance: include/exclude.

Incorporated requirements in relation to the DC governance statement, Implementation statement and Sustainability disclosure (TCFD) requirements - but note that illustrative examples of these have not been provided; audit related matters.

Expanded guidance on (for example) investment performance disclosures and membership data.

Statement of Trustees' responsibilities; summary of contributions; actuarial matters; audit reports.



Annual report (see Section 2)



We encourage preparers to now plan for the changes and consider the implications of the 2026 SORP on each pension scheme.

In particular, for those preparers that utilise templates and use software, please utilise Appendices 1 and 2 - as these will need to be substantially enacted to support the implementation of FRS 102 and the 2026 SORP.

**Call to
action**



Please take the time to read the new Pensions 2026 SORP.

Thank you

PRAG'S PROFESSIONAL SUPPORTERS

