Isle of Man
Pensions Update



Hannah Rosumek
hannah.rosumek@bwcigroup.com

> *"Matters requiring further policy development have been deferred for future consideration"*

The Retirement Benefits Schemes (Amendment) Bill 2026 has completed its passage through Tynwald and is now awaiting Royal Assent. This Bill, together with the Financial Services (Miscellaneous Provisions) Bill 2026, will make some changes to the requirements around the governance of pension schemes and introduce detailed requirements for the funding and reporting of defined benefit pension schemes.

The Isle of Man Financial Services Authority (IOM FSA) issued an update on the progress of the proposed changes during the summer, following their feedback statement published earlier in the year.

The table summarises the key changes to the existing legislation. Following the feedback, the IOM FSA's statement said:

"Matters requiring further policy development have been deferred for future consideration, with commitments to further consultation where secondary legislation or guidance is required".

It is not entirely clear which policy areas have been deferred, but the transitional provisions in the Bill specifically list the sections which relate to defined benefit schemes' funding requirements, which suggests that they may not be introduced at the outset. The legislation will be phased in, with the licensing of trustees and administrators expected to be introduced ahead of the funding requirements.

Once the legislation is in force, trustees will need to demonstrate that they have sufficient knowledge, understanding and appropriate governance arrangements. Therefore trustees may wish to review these areas now, in relation to their scheme, to identify and plan how they will address any potential issues.

Topic	Clause in Bill	Section of RBSA* 2000 amended	Brief description of key change
Applications	5	s.2 (substituted)	Updates the scheme application process. The IOM FSA may require declarations of compliance and evidence of compliance.
Authorisation requirements	6	s.3 (substituted)	Places the burden on the applicant to demonstrate compliance and requires scheme administrators and at least one trustee to hold an appropriate Financial Services Act 2008 licence, subject to any prescribed exemptions.
Funding objective	10	s.7 (substituted)	Introduces a statutory funding objective requiring authorised defined benefit schemes to hold sufficient assets to cover technical provisions.
Funding governance	11	ss.7A-7C (new)	Adds new requirements for funding and investment governance in defined benefit schemes. Trustees must establish a long-term funding and investment strategy, report on its implementation, and maintain a statement of funding principles.
Actuarial valuations	12	s.8 (substituted)	Requires trustees to obtain written actuarial valuations of scheme assets and liabilities. These valuations must assess whether the scheme satisfies the new statutory funding objective.
Technical provisions and recovery plans	13	ss.8A-8B (new)	Requires actuarial certification of the technical provisions and recovery plans for underfunded schemes.
Schedule of contributions	14	s.9 (substituted)	Trustees must prepare, regularly review and update the schedule of contributions, showing contribution amounts and payment deadlines.
Non-payment of contributions	15	s.10 (substituted)	Requires reporting of unpaid contributions, subject to exceptions.
Employer agreement and Authority powers	16	ss.10A-10E (new)	Introduces detailed funding governance provisions, including requirements for employer agreement on key funding assumptions and actuarial input into funding decisions. It also gives the IOM FSA powers to direct how technical provisions, recovery plans and contribution schedules are determined where funding concerns arise.
Scheme accounts	21	s.15 (substituted)	Requires trustees and administrators to obtain scheme accounts prepared in accordance with regulatory requirements.
Returns and disclosure	22	ss.15A-15B (new)	Allows scheme return requirements and disclosure obligations to be prescribed.
Scheme appointments	24	s.17 (substituted)	Updates the provisions relating to the appointment of auditors, actuaries and investment managers. Trustees must consult administrators before making appointments, and failure to appoint required advisers may result in regulatory action, rather than a criminal offence.
Governance and competency	25	ss.17A-17C (new)	Certain individuals, such as undischarged bankrupts and persons convicted of dishonesty offences, will be automatically disqualified from acting as trustees or administrators, while trustees and administrators must also demonstrate sufficient knowledge, understanding and appropriate governance arrangements.
Scheme register	50	s.45 (substituted)	Requires the scheme register to be maintained electronically, and the IOM FSA has the power to publish all or part of the register.
Fees	53	s.52A (new)	Allows the IOM FSA to set fees by order for scheme registration, annual supervision and the submission of returns.

**Retirement Benefits Schemes Act 2000*