Family businesses, collective pensions and benefits. Building for future generations.



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Pensions across generations | Family businesses | Collective Pensions | CDC
November 20 2026 *Reflections from the World Pensions Summit and an IEBA European discussion on health, disability and keeping people in work.*

Two events in London and Copenhagen yesterday, both closely connected to our work with family businesses at **Western Pension Solutions**, **Collective Pensions** and **Arboreum Pensions**. The first was the **World Pensions Summit** at Ironmongers' Hall in the City of London, with discussions on the pension fund of the future, including a dedicated session on DC and Collective Defined Contribution (CDC) pensions. **Adrian Boulding,** Managing Director of **Arboreum**, also contributed to a panel on **Private Markets and Pensions Power**, another area of growing interest for long-term pension investment. The second was an **IEBA (International Employee Benefits Association)** event with Danish and other European experts, where I extended some of our thinking on collective pensions to collective health and disability provision, particularly how smaller employers can benefit from pooling resources, risks and expertise.

This is also an approach currently being explored through the UK's **Department for Work and Pensions (DWP)** **Keep Britain Working Review**, which considers how collective arrangements can make workplace health services more accessible to smaller employers. Both events raised similar questions about how family businesses can provide better pensions and employee benefits without needing the resources and infrastructure of a large corporate employer. Family businesses, trees and pensions across generations. Ironmongers' Hall was a particularly fitting venue, with over 700 years of history associated with British trade, craftsmanship and enterprise. The iron and metalworking industries have a long tradition of family businesses, with skills, knowledge and businesses passed down through generations.

Displayed in the Hall is a quotation from Francis Bacon, written in 1607: "*It is a reverend thing to see an ancient castle or building not in decay; or to see a fair timber tree sound and perfect: how much more to behold an ancient noble family, which hath stood against the waves and weathers of time! For new nobility is but the act of Power, but ancient nobility is the act of Time.*" (see photo)



There is a rather fitting connection to **Arboreum Pensions** , both in its name and what we are seeking to achieve. Like trees, family businesses grow and develop across generations, often taking a long-term view of their businesses, employees and communities. Our ambition at Arboreum is to bring some of that thinking to pensions through CDC, pooling risks, investing for the long term and providing retirement incomes that can support people throughout their later lives.

But family businesses, particularly smaller ones, often face a challenge. They may want to provide good pensions and employee benefits, but lack the scale, resources and purchasing power of much larger employers. Collective provision offers a way of addressing this by bringing employers together to share costs, pool risks and access expertise that would otherwise be difficult or expensive to provide individually.

What do people actually want from their pensions?

At the World Pensions Summit, **Patrick Heath-Lay CBE**, CEO of **People's Partnership**, made some straightforward points in his keynote address. We need pension systems that deliver good outcomes, we must not lose sight of the people we serve, and ultimately what people want to know is: **"Will my pension deliver for me when I need it?"** These are points on which the pensions industry ought to be able to agree. There is no shortage of debate about CDC, individual DC, guided retirement, investment strategies, value for money, consolidation and retirement products. Much of this is necessary, but most individuals are less interested in the technical differences than in whether their pension will provide a decent income when they retire.

Professor **David Blake** of City St George's, **University of London** also made a strong case for pensions that provide an income throughout retirement. He referred to the economic principle that *"a rational consumer with no bequest motive maximises utility by putting all wealth into actuarially neutral annuities"*. While this is a theoretical result based on particular assumptions, it reinforces the value of providing an income for life and pooling longevity risk. Much of the focus in individual DC pensions has been on accumulating savings, with less attention given to how those savings can provide an income throughout retirement. Pension freedoms have given people greater flexibility, but also left them responsible for managing investments, withdrawals and the risk of outliving their savings. There is a strong case for pension arrangements that provide a lifetime income without requiring individuals to manage these risks themselves.

Why I am involved with Collective Pensions and Arboreum

This is why I believe CDC pensions have a valuable role to play, particularly for people who want a retirement income rather than simply a pot of savings. CDC combines collective investment with longevity risk pooling, allowing members to benefit from long-term investment throughout their working lives and retirement, potentially including private markets and other less liquid assets.
Unlike traditional defined benefit pensions or annuities, CDC pensions are not guaranteed. Benefits are targets and can be adjusted (up or down) as experience develops, so good governance, clear communications and realistic expectations are essential. For family businesses, CDC offers the potential to provide employees with a pension focused on retirement income, without the open-ended financial commitments associated with traditional defined benefit arrangements.

Our work at **Arboreum Pensions** involves developing a whole-of-life CDC pension plan that family businesses and other employers can offer their employees. Our aim is to make the advantages of collective investment, risk sharing and long-term retirement provision accessible to employers of different sizes.

From collective pensions to collective health and disability

At the second event, organised by **IEBA**, I took this thinking further. The presentation, *The European Disability Paradox, Part 2: Giving Smaller Employers the Advantages of Scale*, considered how the principles of collective provision might also be applied to workplace health, disability and income

protection. The recent Keep Britain Working Review update provides a useful illustration. It describes a 58-year-old construction worker employed by a business with just 14 employees. He develops a worsening back condition, but his employer has no occupational health or HR department. After a lengthy wait for treatment, he is eventually unable to continue working and loses his job.

In an alternative scenario, access to shared occupational health services, earlier physiotherapy, case management and adjusted duties enables him to remain in employment, with just nine days of absence. The health condition is the same, but the support available to the employer and employee is very different. For a family business, retaining an experienced employee with 30 years of knowledge and skills can make a considerable difference. For the employee, remaining in work means continuing to earn, save and build up pension benefits.

Giving smaller employers the advantages of scale

Family businesses account for more than 90% of UK private businesses and employ almost 60% of the private-sector workforce. Yet many smaller businesses cannot afford the occupational health infrastructure, insurance arrangements or specialist support available to large employers. The Keep Britain Working Review explores pooled purchasing, shared case management and other ways of making workplace health services more accessible. The principle is that smaller employers should be able to access the advantages of scale without having to become large employers, something already familiar in pensions through multi-employer arrangements that provide professional governance, investment and administration services.

There is considerable scope to apply similar thinking to health, disability and income protection. There is also a direct connection with pensions, because someone who cannot work due to ill health may lose earnings and pension contributions, while their savings may have to support them for longer if they retire earlier than planned. In my previous work at **Haines Global Pensions**, I argued in a submission to the UK's State Pension Age Review that decisions about later retirement should take account of healthy life expectancy and people's ability to remain in employment. We should help people remain healthy and in work wherever realistic but also provide appropriate protection and retirement options when continued work is no longer possible. Keep Britain Working should not mean keeping everybody working regardless of their circumstances.

Should pensions, health and disability benefits be provided together?

An interesting question raised at the end of the IEBA discussion was whether pensions and health or disability insurance should be bundled together with one provider or provided separately. For smaller employers, there are potential advantages in bringing these benefits together, including simpler administration, better access to services and improved coordination. However, there is another important consideration: the consistency of medical assessments and decisions about eligibility for benefits. In the UK, occupational health services, income protection insurers and pension schemes may all use different doctors and medical assessments. An employee might be considered unfit to return to work by one medical adviser but not sufficiently incapacitated to qualify for long-term disability benefits or an ill-health pension according to another. Different benefit definitions can legitimately lead to different outcomes, but the lack of coordination can leave employees facing conflicting medical opinions, uncertainty and potentially gaps in financial protection.

Countries such as Denmark and the Netherlands may offer useful lessons here, with more coordinated approaches to sickness absence, rehabilitation, work capacity and disability benefits. The aim should not necessarily be to bundle everything with a single provider, as pension providers, insurers and healthcare specialists have different expertise and responsibilities. Rather, it should be

to achieve greater consistency in medical evidence, assessments and decisions, alongside better coordination of the services and benefits available. For family businesses, collective arrangements could make this kind of joined-up provision more accessible, without requiring individual employers to establish and manage all the different services themselves. It also raises interesting possibilities for how ill-health retirement benefits might be incorporated into whole-of-life CDC pensions, alongside occupational health and income protection arrangements.

Building for future generations

The World Pensions Summit was supported by **IEBA** (International Employee Benefits Association), with whom I have had a long association. It was good to catch up with contacts from across Europe, including **Norman Dreger** from Germany and his MBWL International colleagues). Unfortunately, speaking at the second event meant missing the afternoon's CDC session and **Adrian Boulding**'s contribution to the private markets panel, both subjects closely connected to the work at Arboreum. Thank you to **Nicolas Firzli**, **Nicholas Sherry** and everyone else who helped make this event another annual success.

For the IEBA Denmark event, particular thanks go to **Gitte Kristiansen** of Insurance at Heart and **Inge Brabrand** of Ericsson for all their work bringing the event together over recent months. It was a please to contribute along with **Charlotte Enggaard** of Carlsberg, **Karen De Paoli** of CBBA-Europe**,** and **Martin Klinck Jakobsen** of PFA. The two events covered different subjects, but both raised questions relevant to family businesses. How can employers provide good pensions and employee benefits without taking on disproportionate costs and risks? How can smaller businesses access the expertise and services available to much larger organisations? And how can we help employees remain healthy, continue working where possible and build up retirement incomes that will support them in later life? These are questions we are considering in our work on collective pensions, and increasingly in thinking about collective health and disability provision. They also bring us back to the long-term perspective of family businesses and the history of Ironmongers' Hall, where the ability to build and sustain something across generations has been valued for centuries. Plenty to take away from both events. Much of this is already shaping what we're doing and building at **Collective Pensions**, Western Pension Solutions and **Arboreum Pensions**.

The views expressed in this article are my personal views and do not necessarily reflect those of my employer or any organisations with which I am associated.



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