Office for **Budget Responsibility**

20 January 2026

Supplementary forecast information release

Funded pensions forecast

1.1   The OBR is releasing the information below following requests for further detail on the forecasts presented in our November 2025 *Economic and fiscal outlook* (*EFO*). We will, as far as possible, meet any requests to release supplementary forecast information where this will improve the quality of public debate on the public finances. Our full release policy is available on our website.

1.2   This release provides extra details relating to our forecast for funded pension schemes in our November 2025 *EFO* and how it drives differences between public sector net debt (PSND) and public sector net financial liabilities (PSNFL). Table 1.1 breaks down how the assets and liabilities held by funded pension schemes affect PSND and PSNFL. The pension liabilities and assets of funded pension schemes which are recorded within PSNFL but not PSND largely offset each other.

Table 1.1: PSND to PSNFL forecast reconciliation

	£ billion						
	Outturn	Forecast					
	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
Public sector net debt	2810	2940	3070	3211	3341	3452	3546
Public sector net financial liabilities	2439	2570	2683	2788	2882	2958	3034
Difference	**-371**	**-370**	**-387**	**-423**	**-458**	**-493**	**-513**
of which:							
Net funded pensions liabilities	**1**	**-7**	**-8**	**-5**	**-1**	**4**	**8**
of which:							
Gross liabilities	537	566	597	628	661	696	732
Equity assets	-522	-556	-586	-612	-638	-665	-694
Loan assets	-1	-1	-1	-1	-1	-1	-1
Other assets	-13	-16	-18	-21	-24	-26	-29
Other net liabilities	**-372**	**-363**	**-379**	**-418**	**-457**	**-497**	**-520**

Source: ONS, OBR

1.3   Our forecast for funded pension liabilities uses a 4 per cent discount rate, as set by the European System of Accounts and used by the ONS when calculating liabilities in outturn. For the liabilities relating to the Pension Protection Fund (PPF), we use a slightly higher discount rate which averages 4.2 per cent a year over our forecast, in line with guidance from the PPF. The PPF is one of only several elements of the funded public pensions forecast which we forecast individually, the other two being National Employee Savings Trust (Nest) and the Bank of England pension scheme. The majority – including the local government pension scheme – are forecast on an aggregated basis, so are not individually identifiable.