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11 September 2026

AssumptionsConsultation@ppf.co.uk

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Dear all

Assumptions for s179 and s143 valuations

I am writing on behalf of the Association of Consulting Actuaries in response to your consultation on proposed changes to the assumptions used for valuations under sections 143 and 179 of the Pensions Act 2004.

We welcome the opportunity to comment on the proposed changes.

Our view is that the PPF should review the wider guidance and approach for s179 valuations. Given levy payments are not currently required, it is disproportionate for all schemes to have to carry out a detailed s179 valuation every three years. We believe there are other ways in which PPF could obtain information to understand the funding risks to which it is exposed which would be more proportionate.

Putting this wider point aside, we are generally supportive of the changes you have proposed, although the suggested implementation timing is problematic. We also have some wider points to make which are relevant to The Pensions Regulator's use your assumptions for their purposes.

We hope that you find the contents of this letter of assistance. We would be happy to discuss them further if that is helpful.

Yours sincerely

Peter Williams
Chair, ACA Pensions Schemes Committee
On behalf of the Association of Consulting Actuaries Limited
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APPENDIX

Specific consultation questions

General questions

1: Do you agree that we should introduce the new s143 and s179 valuation guidance for valuations with an effective date on or after 31 May 2026? If not, what date(s) would be more appropriate?

No – the proposed timing is problematic because it is backdated.

Use of the revised assumptions should only be a requirement for valuations with effective dates after the assumptions have been finalised, to avoid the costs of re-working s179 valuations in progress.

For s143 valuations, the PPF might provide an option to adopt the new assumptions from 31 May 2026.

2: Do you believe that the proposed assumptions (as set out in section 3 and appendix 3) are appropriate? If not, which assumptions do you believe should be changed, and why?

Yes.

3: Do you believe that the suggestion (a) in section 4 'Additional comments' is appropriate and helpful? If so, in what ways is it they helpful? If not, why not? Do you prefer suggestion (b)? If so, why? Do you foresee any other issues with the suggestions?

As noted in our response to question 4, there can be issues created where The Pensions Regulator uses your assumptions directly for wider purposes. This is really an issue for the Regulator rather than the PPF but it is probably prudent for their materials not to refer directly to PPF assumptions – so that the Regulator's requirements do not change automatically whenever PPF make changes, without the Regulator considering the issues.

4: Do you foresee any undesirable consequences of our proposals?

Yes – there is a knock-on consequence for the Regulator's Fast Track funding tests, which require the use of a proportion married assumption at least as prudent as s179 assumptions.

The Regulator will need to set out how its Fast Track funding tests will be amended. As noted above, it is probably prudent for the Regulator's materials not to refer directly to PPF assumptions – to avoid similar issues going forward.

5: Do you have comments on any other matter in this consultation document which are not included in responses to the questions above?

Our view is that the PPF should review the wider guidance and approach for s179 valuations. Given levy payments are not currently required, it is disproportionate for all schemes to have to carry out a detailed s179 valuation every three years. We believe there are other ways in which PPF could obtain information to understand the funding risks to which it is exposed which would be more proportionate.