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PRESS RELEASE

ACA calls for wider review of s179 valuations as conventional PPF levy remains at zero

14 September 2026: The Association of Consulting Actuaries (ACA) has welcomed the Pension Protection Fund's (PPF) proposed changes to the assumptions used for section 143 and section 179 valuations but has called for a wider review of current s179 requirements with the conventional PPF levy at zero for a second consecutive year.

Response to PPF consultation on assumptions for s143 and s179 valuations

Peter Williams, Chair of the ACA Pensions Schemes Committee, commented:

"We are broadly supportive of the changes the PPF is proposing, but this is a good opportunity to look again at the wider s179 valuation process. 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. The PPF clearly needs to understand the risks it faces, but there may be simpler and more proportionate ways of getting the information it needs.

The timing also needs some adjustment. Schemes should not have to revisit work already under way simply because the new assumptions are being applied retrospectively."

The ACA supports the PPF's proposed changes to the valuation assumptions themselves but believes the continuing requirement for all schemes to carry out a detailed s179 valuation every three years should now be reviewed.

While the PPF still requires information to assess its exposure to DB scheme funding risks, the ACA suggests alternative approaches may be able to provide this more proportionately.

The ACA also raises concerns about the proposed implementation timing, under which the revised assumptions would apply to valuations with effective dates on or after 31 May 2026.

To avoid schemes having to revisit or rework valuations already under way, the ACA recommends the new requirements should instead become mandatory only for valuations with effective dates after the final assumptions have been published.

For s143 valuations, the ACA suggests schemes could instead be given the option of applying the new assumptions from 31 May 2026.

The ACA has also highlighted a knock-on issue for The Pensions Regulator's (TPR) Fast Track funding regime arising from the PPF's proposed changes. Some of TPR's requirements currently rely directly on s179 assumptions, including estimates of how many members may leave a pension to a spouse or partner.

As a result, changes made by the PPF for its own purposes can automatically alter TPR's separate funding requirements. The ACA's response therefore recommends TPR consider whether that direct link remains appropriate.

Peter Williams added:

"Where assumptions are also used directly by TPR for a different purpose, changes can have wider consequences. TPR should therefore consider whether its requirements should continue to be linked automatically to the PPF's assumptions."

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About the Association of Consulting Actuaries (ACA)

Members of the ACA provide advice to thousands of pension schemes, including most of the country's largest schemes. Members of the Association are all qualified actuaries and all actuarial advice given is subject to the Actuaries' Code. Advice given to clients is independent and impartial. ACA members include the scheme actuaries to schemes covering the majority of members of private sector defined benefit pension schemes. The ACA is the representative body for UK consulting actuaries, whilst the Institute and Faculty of Actuaries is the professional body. The ACA is celebrating its 75th Anniversary this year.