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PRESS RELEASE

ACA warns 15 million workers risk inadequate retirement incomes and urges Pensions Commission to back CDC and auto-enrolment reforms

15 July 2026: The Association of Consulting Actuaries' (ACA) Pensions Adequacy Working Group has submitted its report to the Pensions Commission, setting out a package of reforms aimed at improving sustainable retirement income for under-pensioned groups. The report notes that while automatic enrolment has significantly increased pension participation, adequacy remains a serious challenge, with around 15 million workers under-saving and particular risks for lower-paid workers, women with interrupted careers, carers, ethnic minority groups, the self-employed and people with disabilities.

The Working Group recommends action across six areas: a more stable pensions tax framework, better targeted education and digital support, wider use of sidecar savings, extension of automatic enrolment, support for CDC as a mainstream retirement model, and reform of the State Pension.

Saye Mkangama, Chair, ACA Adequacy Working Group said:

"Automatic enrolment has been a major success in increasing pension participation, but we know from the data that participation alone will not deliver adequate retirement outcomes for everyone.

"Our report focuses on practical reforms that can improve outcomes without relying solely on higher employer contribution rates. That means rebuilding trust in the system, making engagement more relevant and accessible, using inertia more effectively, and exploring delivery models that can provide better outcomes for the same cost.

"The Pensions Commission's interim report rightly sets out the scale of the challenge. The priority now should be turning evidence into action through practical reforms that can be implemented in the short term. Millions of people are approaching retirement without adequate savings, and the challenge can no longer wait."

The report highlights that even modest changes can have meaningful long-term effects. Modelling included in the report shows that additional voluntary saving, earlier and greater saving through automatic enrolment and CDC-style risk sharing could materially improve retirement outcomes.

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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.

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