ASSOCIATION OF CONSULTING ACTUARIES

PRESS RELEASE: IMMEDIATE

ACA says pension tax easements welcome if part of a long-term approach. ACA offers assistance to Treasury and DWP on pension investment review.

15 March 2023 – The Association of Consulting Actuaries (ACA) has given a warm welcome to the abolition of the Lifetime Allowance and increase in AA announced by the Chancellor today. We have long campaigned for such reforms. The changes will remove significant complexity and mean that all but the highest paid decision makers at employer level will be personally interested in pension savings again.

Karen Goldschmidt, Chair of the ACA's Pensions Tax Committee added:

"A pensions tax policy needs to be stable and predictable to enable individuals to make rational decisions about when they make pension savings and how they draw them. The same goes for employers designing their pensions offerings. In recent years, the unpredictable changes from year to year in LTA and AA has led to cliff edges and unexpected outcomes in real-life situations. We hope the change of approach is one all the political parties can warm to so we return to having a holistic long-term approach to pensions tax relief.

"There are some knock on impacts on some areas that are not all clear (e.g. tax free cash sum) - savers will need more detail urgently."

Steven Taylor, ACA Chair, commented:

"The Chancellor has indicated that he will come forward with proposals in the Autumn that will look to harness more growth potential from the investments of pension schemes. We look forward to being fully consulted in any new approach so members' pension security is protected, whilst appreciating that pension schemes should play their part in supporting economic prosperity."

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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.

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