ASSOCIATION OF CONSULTING ACTUARIES

PRESS RELEASE: IMMEDIATE

ACA COMMENT ON NEW MANSION HOUSE ANNOUNCEMENTS

15 November 2024: Following the Chancellor's speech at Mansion House yesterday evening, and the update and various papers that followed on the Government's thinking on pension fund investment and the Pensions Review, the Association of Consulting Actuaries (ACA) issued the following statement:

Stewart Hastie, ACA Chair, commented:

"On LGPS and DC, we applaud the bold ambition in so far that it improves outcomes for the local community taxpayers that fund and underwrite the costs of LGPS and improves outcomes for DC savers, but the devil is in the detail of how to actually implement the ambition and over what timescales. The Australian and Canadian models are not panaceas (big is not always better) and were not achieved over night. In particular, where the Government draws the line on minimum £billions for DC funds and how it might deal with identifying and consolidating "underperforming" funds will be key and we look forward to positive engagement on forthcoming consultations.

"However, the real disappointment is still the lack of anything on the £1.4trn in private sector DB and taking forward a vision for how these schemes can support economic growth and better outcomes for current and future workers. We would like to see greater support and flexibility being brought forward on how surpluses can be utilised for the sponsors and members (and help with releasing some £100bn to £250bn of surplus over the next 10 years) combined with regulatory guidance that focuses on managing surpluses (as opposed to funding deficits!) to ensure appropriate safeguards are in place and help trustee navigate the requirements of their fiduciary duties."

The **ACA response** to Stage 1 of the Pensions Investment Review focussed on the complex challenges raised by the Government's agenda on investment and consolidation and the ongoing need for further open-minded consultations with all those involved in pension provision and governance, as well as those relying on pension outcomes.

Contacts for further information:
Stewart Hastie, ACA Chair, at stewart.hastie@isio.com or 07799 893797
David Robertson, ACA Secretariat, at david.robertson@aca.org.uk or 020 3102 6763

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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Association of Consulting Actuaries Limited · First Floor · 40 Gracechurch Street · London · EC3V 0BT
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