ASSOCIATION OF CONSULTING ACTUARIES

PRESS RELEASE: IMMEDIATE

ACA SAYS THERE IS A REAL DANGER OF GROWTH AGENDA DISRUPTING BENEFITS OF ONGOING BUSY PENSIONS AGENDA

16 January 2025: In their [response to the DWP consultation 'Pensions Investment Review: Unlocking the UK pensions market for growth'](#) the Association of Consulting Actuaries (ACA) says that, whilst the Association supports the drive for scale and investment in productive assets, the proposals outlined in the consultation could have negative consequences for savers and employer support for pensions at a time when savings adequacy is long-term societal challenge.

To mitigate and address the adverse consequences of some of the proposals, whilst supporting the push for growth, the **key points in the ACA response** are that:

- Instead of focussing on a minimum number of default funds, it would be better and safer to focus on the scale of the underlying funds,
- Continue to permit differential pricing on the grounds it is essential to encouraging investment in productive assets and so as not to adversely impacting employer support for pensions saving,
- Prioritising and continuing with existing measures (VFM, small pots etc) and avoid trying to squeeze massive transition programmes into too shorter timeframes. The Australian model has developed over decades, and any transition needs to take account of the UK's long pensions experience and the quite difference history that other countries will have had,

In addition, the ACA response calls for greater consistency in the framework and requirements for employers on ensuring Value for Members and is supportive of making it easier to transfer and consolidate contract arrangements subject to appropriate safeguards.

ACA Chair, Stewart Hastie thanked Tess Page and the ACA DC Committee for preparing its response and added:

"We also urge Government to look to the DB side of UK pension provision in furthering its objectives for growth by bringing forward legislation to better enable the transfer of DB surplus into DC arrangements. This could not only fund DC benefits for current and future workers and provide some much-needed positive incentives to UK employers but also provide greater near term support for increasing the scale of some specific DC funds. We continue to be disappointed that legislative changes in this area seem to have been put on

the back-burner when they could offer an extremely valuable and quicker boost to both investment and member 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.

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