ASSOCIATION OF CONSULTING ACTUARIES

PRESS RELEASE

ACA welcomes and comments on IFS Pension Review Report published today

2 July 2025: Association of Consulting Actuaries (ACA) Chair, Stewart Hastie commented on the IFS Pensions Review report published today:

"There is much here that ACA would agree with and we welcome the IFS Pensions Review in bringing to light a number of the key challenges for achieving pensions adequacy in the UK. It is important as a country we map out a plan over a number of years to gradually raise both levels of pension saving and perceptions of why individuals need to save more and save more effectively. We hope many of the recommendations gel with those that emerge from the DWP shortly.

"The ACA recognises that politically it will be challenging to increase employer and employee contributions in the near term, but we hope that we will finally see a longer-term plan to redress the balance between money today and long-term saving if individuals at lower to middle incomes are to secure at least an adequate income in later life. That will be helped by public policy that ensures pensions are saved in schemes that offer real value for money but it is not a substitute for higher saving. We also see the positive role that Collective DC schemes could play in both whole of life and in decumulation solutions in bridging the gap as well as encouraging long-term investment strategies and would like to see these figured more strongly in the IFS proposals.

"It's also important as we transition in the way pensions are organised that we restore much greater simplicity so the public can better understand the ins and outs of pensions and, just as importantly, providers and savers have a regime that encourages a cost-effective and dynamic approach open to new ideas, with risk-aversion and regulation minimised.

"We support the gradual move of State Pension Age with some enhancements to universal credit on a mean-tested basis for the period before SPA. However, we do not think Government can commit to saying State Pensions will never be means-tested or that increases in SPA should only follow future changes in longevity. To achieve long term sustainability, all public spending at some point has to be covered by income or borrowings under-pinned by economic performance. An ageing population is making this ever more difficult.

"The calls to move from a triple lock to indexation geared to earnings and underpinned by inflation are sensible, but it seems likely that any abandonment of the triple lock will fall foul of the current political climate and lack of ability to make difficult decisions that will otherwise fall on future generations."

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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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