PRESS RELEASE:

ACA Chair speaks of ACA's shock and for change in pensions 'mood music' that brings fresh hopes.

28 September 2023: Speaking at the ACA's Industry Dinner, its first since the pandemic, Chair, Steven Taylor spoke of his and the Association's shock at the news of the sudden death of his predecessor, Patrick Bloomfield. His speech followed a tribute to Patrick made at the dinner by Jon Hatchett, Senior Partner at Hymans Robertson.

The dinner was attended by leading figures from across the pensions industry as well as regulators and officials. In his speech, Steven Taylor spoke of optimism for the future and that the mood music has changed in recent months.

ACA Chair, Steven Taylor, commented that:

"I was stunned when I heard the news last week. In his policy work, Patrick wanted to make the industry a better place and to improve outcomes for future generations. As an Association, we will strive to continue that legacy with the zest and determination that he demonstrated."

Turning to the pensions scene, Steven Taylor, spoke of what he saw as a change of mood music in recent months.

"For one thing, many of us here tonight will have recently ploughed through the Mansion House consultations. As an Association, we've played our part, both in responding to them and working with others in the industry, to help shape the conclusions into a raft of new policy ideas.

"And it's starting to feel that collectively it's beginning to make a difference. New initiatives such as collective defined contribution schemes, which combine a natural growth investment focus and, we believe, the possibility to significantly improve member outcomes, do seem set to get their chance to succeed.

"Other areas, such as reform of the PPF could now follow, perhaps offering greater incentives for sponsors to build up surpluses that could in turn help more efficiently finance pensions for the next generation.

"It remains to be seen which of these policies emerge over the next year and what will be for general election manifestos. However, for the ACA's part, we welcome the dialogue these consultations have brought about for reforms that can both boost our economy and outcomes for savers. We're also encouraged that Government seems to be being careful to consult widely and is in listening mode. Long may that continue.

"We're equally pleased that the Opposition parties seem to be taking supportive positions, not just in respect of CDC and the recent Private Members' Bill backing Auto Enrolment reforms, but also in seeing the importance of a thriving private pensions sector in building decent incomes in retirement.

But, said Steven Taylor, there are still wake up calls.

"We would add our voice to the many others saying that on the Triple Lock, Parliament needs to find a new consensus that re-balances the support we give to younger generations as against the grey voter.

"And as a society we need to find solutions to a range of challenges, including Climate Change and adapting to the reality of an aging society. On this point we would suggest that providing a long-lasting settlement on issues such as social care is far more urgent than further gold plating inflationary increases to the state pension.

"And in the DB world, I will say only this –the new funding code of practice now simply needs to be delivered. Some argue that the code is a relic designed to solve past problems. I would suggest instead that most DB schemes now operate as if the code already exists and ACA will continue to work with DWP, TPR and others on what are hopefully the final tweaks to the new regime."

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