



PRESS RELEASE

Retirement CDC availability must align with timing of guided retirement requirements

3 December 2025: The Association of Consulting Actuaries (ACA) strongly supports the development of the legislation required to enable Retirement CDC pension schemes. We agree that this will open up CDC pensions to a much wider range of people, providing significant advantages over many existing forms of 'at retirement' pension provision.

Summarising the ACA response, ACA Chair, Stewart Hastie said:

"It is important that Retirement CDC arrangements are available for trustees to select as their default, before the guided retirement requirements are brought into force under the Pension Schemes Bill. Otherwise, there is a risk that trustees will select their default from the more limited options available. This in turn could lead to sub-optimal outcomes for savers/members and could have significant implications for the likely size of the Retirement CDC market."

The ACA says a prohibition on prospective member/member marketing would need careful consideration. It is essential that members be provided with suitable information about CDC, where the scheme's trustees are providing retirement CDC as an option or as the default.

"Whilst we note the reasons for limiting the initial legislation to enable Retirement CDC schemes operating in the non-retail market, we would strongly encourage extension to the wider retail market as soon as possible, once the initial schemes are established," added Stewart Hastie.

"ACA also encourages the regime for Retirement CDC to be closely aligned with the newly introduced regime for unconnected multiple employer CDC schemes. In particular, the process for expanding an unconnected multiple employer CDC scheme to also offer Retirement CDC benefits should not include any unnecessary hurdles. While ACA supports the introducing of cohorting new entrants into Retirement CDC, we have a preference for maintaining consistency with whole-life CDC when it comes to the application of spreading cuts and the adoption of upper thresholds for indexation."

ACA also supports further flexibility to enable bulk transfers without member consent to CDC arrangements, with suitable safeguards - and supports additional powers for employers to require trustee (and product provider) consideration of a proposal for such a transfer.

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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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