# PRESS RELEASE:
# HELPING SAVERS UNDERSTAND THEIR PENSION CHOICES

## ACA supports schemes being required to offer decumulation solutions, but says legislation is needed to deliver operational reality.

**5 September 2023: Responding to the DWP consultation on *Helping savers understand their pension choices*, the Association of Consulting Actuaries (ACA), whose members advise thousands of workplace pension schemes, has expressed support for schemes to be required to offer decumulation solutions.**

**ACA DC Committee Chair, Tess Page, commented:**

*"For too long, decumulation has been a complex, confusing, and often expensive web for members of pension schemes to navigate. We strongly support policy proposals that seek to better serve savers.*

*"Legislation rather than simply guidance is needed to make these proposals an operational reality, not least because many schemes do not grant trustees a unilateral power to establish decumulation arrangements. Also, only new legislation can adequately define the extent of trustees' duties, responsibilities, and potential liability."*

**Key points in the response:**

- We support the proposal to require schemes to offer decumulation solutions and for an appropriate solution to serve as a default approach for members who are unable to make their own choices.

- While CDC may make a valuable contribution to decumulation, it will likely take a while for CDC to develop. We therefore propose that the government proceeds with enacting its proposals rather than deferring them until CDC becomes a widely available option.

- We would like regulations to be drafted with a wider suite of products in mind, rather than simply current CDC designs. For example, longevity pooling products. To that end, regulations should be drafted with desirable principles rather than narrow product requirements.

- Consideration should be given to how the decumulation requirements (and VFM framework) will apply to DC/DB underpin schemes, rather than leaving it to each scheme to resolve this. It should be borne in mind that these hybrid schemes don't always have the option to consolidate with a bigger scheme if they find the DC requirements too exacting.

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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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