



ASSOCIATION OF CONSULTING ACTUARIES

PRESS RELEASE: IMMEDIATE

ACA Chair's Dinner speech

Stewart Hastie calls for pragmatic and successful new regime for DB surplus release as reform agenda builds

6 May 2025: Speaking at the annual Chair's Dinner, ACA Chair, Stewart Hastie opened by welcoming the Pension Minister's recent announcement, committing to the reforms necessary to enable greater collective pension funds to be created ... both whole of life and decumulation only. This is something that the ACA, along with others, has long called for as part of the solution to address adequacy challenges.

Stewart Hastie added:

"And the more recent Government response to the Work & Pensions Select Committee report on DB pensions promises more, interesting developments later this year.

*"Reflecting on his first year as ACA Chair, it is an exciting time to be in 'pensions' and I see within our industry, a **real commonality of purpose** when it comes to making the case for action and supporting innovation. On more than one occasion, I have heard comments that pensions is a much more collaborative and friendly industry than others, despite the wide range of stakeholders and interest groups.*

"So, what else do we want to see from the Pensions Minister?

*"First, a **pragmatic and successful new regime for DB surplus release**. Along with many others, we have spent a great deal of effort making the case for greater flexibility that could support UK employers and support economic growth. Through [our policy paper](#) released in February, we set out how Government might get the balance right between safeguarding members' existing benefits whilst encouraging and enabling change on surplus release. In short, Trustees need to remain at the heart of this but the detail, including **a new regulator code, needs to follow sooner rather than later and support a pragmatic approach if we are to achieve the behavioural change**. The 7-year wait for the Funding Code is not a good benchmark!*

“Second, consequences from the Virgin Media case, the appeal for Government intervention continues. Last September I described this as like ‘GMP equalisation on steroids’ and for the many schemes potentially affected, this remains fairly accurate. I’d like to thank colleagues from in particular the SPP and APL who have joined with us in helping DWP understand the issues and potential solutions. I remain optimistic that we will make progress before the end of this year, as without intervention, it would seriously undermine the success of a new regime for DB surpluses.

“And third, building on the announcement to support collective DC solutions, we want to see the other key initiatives speedily brought in – most of these that we’ve been talking about for some time such as default retirement pathways, dealing with small pots, and VFM. And then of course, following through on the second phase of the Pensions Review.

“But as well as reform, we also need predictability and stability for pensions and long-term savings. Longer term thinking is needed to enhance trust in employers, schemes, providers and ultimately savers to be able to step up and meet the challenges together.

“We urgently need a long-term vision on pensions tax, automatic enrolment thresholds and funding for adult social care. This will help build certainty and importantly trust.

“So, when calling for change and supporting Government in developing policy, we should be confident that ours is a sector that is a major contributor to the single word that is driving this Government – and that is GROWTH. We grow the economy through deploying our capital more efficiently. We grow the economy through facilitating greater investment in productive assets,

“And we grow the economy by helping address the retirement savings adequacy challenge.”

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