ASSOCIATION OF CONSULTING ACTUARIES

ACA NEWS

6 JUNE 2024

Here is our periodic brief for ACA members summarising activities, responses made to consultations and events we have planned over the period ahead.

SUPPORT FOR OCCUPATIONAL PENSIONS IS CRITICAL, SAYS NEW ACA CHAIR, STEWART HASTIE

At the recent AGM of the Association, Stewart Hastie was elected as our new Chair. A senior Partner at Isio, he took office on 1 June 2024 succeeding LCP's Steven Taylor.

Commenting on his election, Stewart said:
"I couldn't have picked a more interesting time to take on this role and I'm honoured to be given this opportunity. Actuaries have a big contribution to make when it comes to dealing with the savings adequacy crisis, which I think is the defining challenge of our generation. The balance of actuarial pensions work in recent years has been about protecting past benefits. With DB schemes now in a good position and well-funded in the main, actuaries have an important role to play in helping organisations shape future pensions provision to deliver better and more equitable outcomes for their workers and savers. I'm looking forward to working closely with our industry partners as we move into a new era of UK pensions."

""We recently launched the ACA's own Pensions and Savings manifesto, which spells out our recommendations to the political parties on where they should head with any future reforms once several key policies – which appear to have broad all-party support, are completed. It must be a priority to complete these without any further delay.

"Then the ACA's overall goal is to help deliver a sustainable and equitable long-term workplace savings environment: bringing responsible stewardship of pension schemes and promoting joined up policies that help future generations build adequate pensions and savings".

ACA PENSIONS and SAVINGS MANIFESTO MAPS OUT REALISTIC AGENDA FOR NEXT 5 YEARS…

Published just a week ahead of the General Election announcement, the ACA ***Pensions and Savings manifesto*** recognises the DWP's own research that suggests some 12.5 million working age people are under saving for retirement. We continue to support a phased stepping up of auto-enrolment minimum contributions. But we also believe that DB schemes have a positive role to play in terms of supporting future growth and adequate pensions provision. We call for the recent DWP initiative to encourage and facilitate the greater use of DB surpluses to be fast tracked. Unlocking surplus from DB schemes, for some employers, could help meet the costs of higher levels of pensions contribution for today's workers.

Second, the new DB funding code and regulatory regime (now delayed by the General Election) needs to be finalised as soon as possible but positively support the remaining open DB schemes and other emerging risk sharing arrangements.

Third, we need any new government not to delay expanding and bringing forward legislation on CDC schemes and other forms of risk sharing scheme, so that multiple employers can access and help provide meaningful alternatives to DC for today's private sector workers.

We would also like to see longer-term planning around how employee engagement within DC schemes can be improved, including introduction of the 'sidecar' savings facility, and making it easier for employers to make available greater support for employees and members. It is our collective responsibility to understand and reduce the gender and ethnicity pension gaps.

There are also a few things that we see as potentially counter to addressing the savings adequacy objective: the political temptation of a new government to find 'new money' through changes to pensions tax, and proceeding with new initiatives that would weaken the employer/employee link such as the 'pot for life' model and a public sector consolidator that isn't limited just to those schemes that have no other options.

And lastly, we support wider calls for better social care; that nettle needs to be grasped by whoever ends up in power, and we need to work together to find cross-party support for a long-term plan.

PANEL UPDATE: JOIN US AT NEXT ACA SESSIONAL MEETING

Wednesday 26 June 2024: 5.30pm
at St. Ermin's Hotel, Caxton Street, London SW1

Pensions and Savings: Hopes and expectations from the next government.

A week out from the general election, we are delighted to have a panel of policy advisers to discuss their hopes for the next 5 years and their expectations on whether those will be delivered by the incoming government. Our knowledgeable panel includes **Nigel Peaple** (PLSA), **Carl Emmerson** (IFS) and fund manager, **Fiona Wu** (LGIM), with ACA Chair, **Stewart Hastie**, acting as question master.

Ahead of the meeting, the ACA's ***2024 General Election Placard*** will help you get up to speed by outlining the parties' pensions, savings and social care policy commitments following the publication of manifestos and review how these match up to the ACA's own ***Pensions and Savings*** manifesto, published in May.

Following the meeting, drinks and dinner will be held at 7pm for 7.20pm. **Registration paperwork was issued to ACA Contacts and Members on 4 June 2024.**

SLIDES and RECORDING OF WEB SESSIONAL MEETING: 22 MAY 2024 - Using CMI outputs to set pension scheme mortality assumptions.

The CMI discussed its recent outputs and their implications for setting pension scheme mortality assumptions, including:

- Analysis of recent mortality experience for the general population and UK pension scheme members.
- The "S4" Series mortality tables, published in February 2024, including new IMD tables allowing for postcode.
- The CMI_2023 version of the CMI Mortality Projections Model, published in April 2024.

You can view the slides **HERE** (Login – **Member** (left box) **Stochastic** (right box)) and access the recording by clicking on this link: https://us02web.zoom.us/rec/share/pkEMvnrzX9pxINYNpOnxEkEF59Q2bQP3RPPC4muC11xs4jHt-aONb_Oq5l0wojBn.A1kqIwPM7PDZI9-G and using the following password: **jkxJ.8p4** (key in – copy and paste seldom works).

ACA RESPONDS TO RAISING STANDARDS IN THE TAX ADVICE MARKET

The main purpose of our **response** to this latest consultation was to fully support and endorse the sensible and practical decision to exclude the well-regulated professions listed in the consultation document, notably lawyers, actuaries and independent financial advisers, as well as professionals regulated by The Pensions Regulator, the Financial Conduct Authority and the Prudential Regulatory Authority from the mandatory regulation requirement.

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