



ASSOCIATION OF CONSULTING ACTUARIES

ACA NEWS

December 2017

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

Happy Christmas and a Prosperous New Year!

Seasonal greetings to all Members and let us hope 2018 will be both busy and prosperous for you all.

2018 Sessional Meeting update: 11 January 2018

The updated topics for the 11 January 2018 Sessional meeting are as follows:

- **Keith Wade**, Chief Economist of Schroder, has kindly agreed to provide a 2018 economic outlook
- **Chris Van Kooten**, Managing Director of Guy Carpenter (Canada), will explain the inner workings of blockchain and its implications for insurance, using Bitcoin as an example.

The meeting is at the St Ermin's Hotel, Caxton Street, London SW1 – 5.30pm – 7.00pm (Dinner 7.20pm). A circular to contacts/members has been issued.

2018 Gatwick and Northern Conferences

The next **Gatwick Members' Conference** is being held on **25/26 January 2018** and there is a waiting list for the main conference. Our guest opening plenary speaker will be the Resolution Foundation's chief economist, **Matt Whittaker**, talking on the changing picture on incomes, savings and intergenerational fairness. Our guest dinner speaker will be **Caspar Berry**, who speaks on risk, decision making and leadership. There is the usual broad range of seminars. There is still availability for those wishing to attend the pre-conference Thursday seminars organised by IACA, the Smaller Firms' and Younger Members' Group.

Diary date: Next year's **Northern Conference** is on **20/21 September 2018** at the Radisson Blu Hotel, Manchester Airport.

Responses to consultation papers

The ACA has responded to a number of consultations issued by Government and other bodies. Go to the ACA public site (www.aca.org.uk) and click on 'Consultation responses' page:

The ACA consultation responses since our September issue are:

- 07 December 2017
ACA response to Disclosure of costs, charges and investments in DC occupational pensions [more...](#)
- 01 December 2017
ACA response to bridging pensions consultation [more...](#)
- 29 November 2017
ACA response to Bulk transfers consultation [more...](#)
- 28 November 2017
ACA response to NEST consultation [more...](#)
- 31 October 2017
ACA response to Combined Third Triennium Policy Statement and 2018-19 Consultation Document [more...](#)
- 23 October 2017
ACA response to Select Committee on pension freedoms [more...](#)
- 29 September 2017
ACA response to PPF consultation on bridging pensions [more...](#)

The ACA Pension Schemes Committee was particularly pleased that the DWP carried out a second consultation on the PPF bridging pension issue having listened to stakeholders' concerns, including that of the ACA, on its original proposals – a good example of how ACA representations can help re-shape regulatory proposals. The Committee has also been influential in the development of the DWP's proposals for bulk transfers without consent of DC benefits.

ACA will also be responding during December to the Intergenerational Commission consultation on generational equity. Early in 2018, ACA Committees will also be responding to the consultations on revisions to the *Actuaries Code* and to the Work & Pensions Select Committee Inquiry into *Collective Defined Contribution* schemes. The *AE Review* is also expected to be published before the end of December 2017.

Annual Dinner at Claridge's

This year's **Annual Dinner** was held at **Claridge's** in November when our guest speaker was Director of the Institute for Fiscal Studies **Paul Johnson**, who gave a talk on the previous day's Budget Statement and his concerns over the state of the economy and economic growth. A summary of ACA Chairman, Bob Scott's speech at the dinner is on the ACA website at www.aca.org.uk ('News contact and releases' page).

Diary date: Next year's dinner at Claridge's will be announced shortly.

IAA Newsletters

All ACA members are also individual members of the International Actuarial Association (IAA). For further details on its work go to their latest **IAA Newsletters** on the same 'Publications' page.

2017 Pension trends survey

The ACA's final report of the biennial *Pension trends survey* was conducted this year and attracted 466 responses from firms with over 760 workplace schemes. Two interim reports had been published in the final quarter of 2017 covering firms' responses to questions on defined benefit arrangements and the surge in pension transfers.

The final report focused on the progress of auto-enrolment and pension contribution trends as well summarising the earlier interim reports. Key findings were:

Employer consensus on some key policy areas

- 57% think the self-employed should be brought into pension auto-enrolment.
- 87% are against a radical reform of pensions tax, although 77% support more help targeted on those on lower incomes.
- 84% support easements in pension indexation where employers running defined benefit (DB) schemes are in serious financial difficulties.
- 80% say legacy defined benefit scheme costs are creating inter-generationally unfair consequences.
- 79% support tougher penalties for mismanagement of schemes.
- 79% support a lower State pension being flexibly accessible from age 66 as State pension age rises.
- 90% think security and data cleansing needs sorting out before the pensions dashboard goes ahead.
- 72% support capping of individuals' contributions to social care costs and 59% support a compulsory social care insurance scheme.

Worrying trends in pension provision

- Median pension contributions from employers and employees combined into many auto-enrolment (AE) schemes amount to just 2-3% of earnings.
- 46% oppose reducing the lower trigger point for AE enrolment (currently £10,000pa earnings), meaning millions on lower earnings are not eligible for auto-enrolment into a scheme, whilst 44% support a lowering of the trigger point.
- 44% oppose increases in minimum AE contributions post-April 2019, when contributions will be a minimum of 8% of qualifying earnings, whilst 41% support a gradual increase.
- From April 2019, following the increase in minimum contributions, AE median opt-out rates are forecast to rise to 16-20% of eligible employees from 11-15% at present.

The final report features on the ACA website at www.aca.org.uk ('research and surveys' page).

ACA Committee Chairs

Here is an updated list of current ACA Committee Chairs including their email addresses.

Accounting – Warren Singer (Mercer) warren.singer@merceroak.com

DC Pensions – Hugh Nolan (Spence & Partners) hugh_nolan@spenceandpartners.co.uk

International – Alex Waite (LCP) alex.waite@lcp.co.uk

Investment – Simon Cohen (Spence & Partners) simon_cohen@spenceandpartners.co.uk

Pension Schemes – David Everett (LCP) david.everett@lcp.co.uk

Pensions Taxation – Karen Goldschmidt (LCP) karen.goldschmidt@lcp.co.uk

Professional Affairs – Jenny Richards (BBS) jenny.richards@bbs-actuarial.co.uk

Public Relations – Gareth Boyd (Willis Towers Watson) gareth.boyd@willistowerswatson.com

Public Sector – John Livesey (Mercer) john.livesey@merceroak.com

Small Schemes – Nigel Sloam (Nigel Sloam & Co) nigel@nigelsloam.co.uk

Smaller Firms – Paul Bunzl (BBS) paul.bunzl@bbs-actuarial.co.uk

The ACA also has a **Younger Members' Group**, chaired by Chintan Gandhi (Aon Hewitt)
chintan.gandhi@aonhewitt.com

2017/18 Charity Golf Days



The ACA 2017 Charity Golf Day once again took place in late summer at West Hill Golf Club in Surrey, one of the country's 'Top 100' courses. The weather was kind for most of the day with the occasional down-pour (*see photo of the course covered by a rainbow*). Aside from the keen golfing competition the event raised over £1,250 for *Get Kids Going!* - a charity devoted to giving disabled children and young people - up to the age of 26 years - the opportunity of participating in sport. It provides children with specially built sports' wheelchairs so they can do: athletics, marathons, tennis, skiing, rugby, sailing, boccia, basketball, sledge hockey, table tennis, fencing, shooting, archery, powerlifting and many more sports. The ACA Golf Day has over the years raised over £15,000 for the charity.

Turning to the golf, the morning Stableford competition focused on both an individual and team challenge, with ACA Chairman, Bob Scott (LCP), topping the individual leader board and winning the *Felton Cup* and £250 first prize with 37 points. Runner-up on count-back was Robert Hawkes (Barnett Waddingham), Alex Whitley (LCP) third on 35 points.

In the team competition for the *ACA Cup*, a three-ball from Barnet Waddingham, made up of Robert Hawkes, Dan Collins and Matt Tickle came out on top, closely followed by an LCP team made up of Bob Scott, Richard Soldan and Andy Thompson.

The 10-hole afternoon Texas – where teams are drawn out of the hat – saw Stuart Southall (Punter Southall), Richard Soldan (LCP) and Sam Roberts (Cartwright) triumph. The longest drive and nearest the pin prizes were captured in both the morning and afternoon rounds by, respectively, Josh Clare (KPMG) and Dave Carstairs (Cartwright).

Next year's golf day will be held on 10 September 2018 again at West Hill GC. If you are interested in playing – the event is open to actuaries in membership of the ACA and beyond – contact david.robertson@aca.org.uk

Issued by:

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