



Regis House, First floor, 45 King William Street, London EC4R 9AN

Tel: 020 3102 6761 Fax: 020 3102 6766

Email: [david.robertson@aca.org.uk](mailto:david.robertson@aca.org.uk) Web: [www.aca.org.uk](http://www.aca.org.uk)

## **ACA COMMENTS ON TODAY'S TREASURY STATEMENT ON THE 'GUIDANCE GUARANTEE' AND PENSION TRANSFERS**

**21 July 2014 - The Association of Consulting Actuaries (ACA) has welcomed the Government's statement today on the 'guidance guarantee', changes to tax rules to stimulate innovative product developments and the pragmatic approach taken on individuals transferring funds from defined benefit to defined contribution schemes.**

Commenting on the statement in respect to the 'guidance guarantee', **David Fairs**, Chairman of the ACA, said:

"We are pleased that the Government has announced that the guidance guarantee will be provided by independent organisations including TPAS and MAS. We are sure too that enabling consumers to choose the type of guidance that best suits them is the correct approach. Some will prefer to use web-sites, others the telephone and still others face to face discussions. We have offered our support to the Treasury and DWP in helping delivery of the policy."

"We also welcome the Government's commitment to change tax rules so innovative products can be developed to meet the varied needs of consumers in retirement, including provision for long-term care."

Commenting on the decision to allow individuals to continue to be able to transfer funds from defined benefit to defined contribution schemes with certain advice provisos, **David Fairs** added:

"We think the approach taken is a sensible and pragmatic solution and reflects the guidance we gave to Government when responding to the consultation. Banning private sector DB to DC transfers – one of the options in the consultation paper – would have put UK plc at a huge commercial disadvantage with Europe as it would effectively have locked companies into funding

for buy-out, with all the recent flexibilities introduced by TPR rendered largely a waste of time. It also enables companies to operate sensible liability management but with adequate protection as well as flexibility for the member.”

“We welcome the prospect of a further consultation on the scope to enable members to take advantage of the new flexibility direct from defined benefit schemes rather than by transferring to a defined contribution scheme first.”

“However, we are concerned that anti-avoidance measures associated with the reforms may be a further, unwelcome, burden on the administration of a large number of pension schemes.”

**For further details:**

|                 |               |                   |
|-----------------|---------------|-------------------|
| Bob Scott       | 020 7432 6605 |                   |
| Jenny Condron   | 01753 848137  |                   |
| Gareth Boyd     | 01737 241144  |                   |
| David Robertson | 020 3102 6761 | (M: 07919 911380) |

**[About the Association of Consulting Actuaries \(ACA\)](#)**

The **Association of Consulting Actuaries (ACA)** is the representative body for consulting actuaries, whilst the Institute and Faculty of Actuaries is the professional body. The ACA forms the largest national grouping of consulting actuaries in the world with over 1750 members working in around 80 consulting firms. Members are advisers to UK pension schemes with assets in excess of £1 trillion, including the vast majority of larger schemes and thousands of smaller arrangements. ACA members advise trustees and organisations in traditional areas of pensions, pension design, investment and insurance work, and beyond this into new disciplines such as enterprise risk management. ACA Members are all qualified actuaries and all actuarial advice given by members is subject to the Actuaries’ Code.