ASSOCIATION OF ACA CONSULTING ACTUARIES

ACA COMMENTS ON EMERGENCY BUDGET MEASURES

22 June 2010: Commenting on today's Emergency Budget, **Association of Consulting Actuaries' (ACA)** Chairman, **Stuart Southall** says:

"While it is disappointing, but perhaps inevitable, that the Government still intends to levy tax on pensions savings, we welcome the announcement of a review of how this is to be done, and the target of greater simplicity, provided this is genuinely delivered. With the levy still targeted to apply from April 2011, the timeframe for employers to consider their pensions policy is getting very short. So it will be important that the Treasury resolves its approach ahead of the recess – just one month hence – to enable real progress on detail to be made before autumn. We recognise that any approach taken gives challenges in the delivery and the ACA looks forward to assisting the Treasury in their review.

"The annuity consultation ahead of an end to compulsory annuitisation at age-75 from April 2011 is also the right approach, as a simple withdrawal of the requirement would not be wise without safeguards for both the taxpayer and many retirees being thought through.

"We also welcome the public sector pension commission, where the terms of reference include 'how risks should be shared' and – importantly – that the Commission should have regard to 'wider Government policy to encourage adequate saving for retirement and longer working lives'. It is to be hoped that this means the Commission will not just look at cutting back public sector pensions, but also make recommendations to the Government on what it needs to do to encourage better private sector provision, including risk sharing in the private sector. Reliance simply on auto-enrolment and, if it survives, the NEST scheme is not enough."

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About the Association of Consulting Actuaries (ACA)

The **Association of Consulting Actuaries (ACA)** is the representative body for consulting actuaries, whilst the Faculty and Institute of Actuaries are the professional bodies. The ACA has 1750 members working in around 75 firms. ACA Members are all qualified actuaries and all actuarial advice given by members is subject to the Actuaries' Code. The ACA forms the largest national grouping of consulting actuaries in the World.