



Pension Reform Deregulatory Review of Private Pensions An update

22 November 2007

Government's response to external reviewers' paper (1)

- LPI on pensions in payment
- Reduction in revaluation cap to $2\frac{1}{2}\%$ pa
- Statutory override
- Employer debt
- Return of surplus

Government's response to external reviewers' paper (2)

- Principles based regulation
- Pension sharing on divorce
- Trustees
- Trivial commutation

Risk sharing

- ACA Survey

ACA Survey:

Closed final salary schemes

- 1.75 million active members

Future pension accrual for existing members

- 71% active members still final salary
- 16% actives now career average
- 11% actives now defined contribution

ACA Survey:

Open defined benefit schemes

- Total active membership of 900,000

Future pension accrual

- 74% final salary
- 18% career average
- 3% db + dc at same time
- 4% nursery dc then db
- 1% hybrid/cash balance/risk sharing

Risk sharing

- ACA Survey
- ACA response

Risk sharing

- ACA survey
- ACA response
- Occupational Pensions JWG response