

PRESS RELEASE

Response to White Paper on defined benefit schemes...

ACA Chairman concerned at absence of measures to help employers struggling with pension scheme liabilities

19 March 2018: Responding to today's White Paper *Protecting Defined Benefit Schemes*, **Bob Scott, Chair of the Association of Consulting Actuaries (ACA)**, said:

"We welcome the proposals that would aim to help the simplification of benefits as a precursor to consolidation of DB schemes.

"And we look forward to a new funding code: which we hope will incorporate lessons learned from recent high-profile failures.

"However, on a quick read, we are disappointed that no new relief to employers struggling with DB liabilities appears to be proposed. Our survey of employers conducted last year found this was needed if more employers are not to abandon DB provision. In that regard, whilst our survey found employers generally support tougher rules and fines for directors not taking sufficient care in protecting scheme members' interests, we wonder whether these tougher rules – without any help for struggling employers with DB liabilities – will again provide a further impetus for prudent directors to close schemes in favour of lower cost DC arrangements, with inferior pension outcomes."

For further comments:

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About the Association of Consulting Actuaries (ACA)

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