



ASSOCIATION OF CONSULTING ACTUARIES

NEWS RELEASE

General Election 2017: ACA worried that inconclusive result will mean brave decisions needed to address policy challenges will not be grasped

9 June 2017: The Association of Consulting Actuaries (ACA) pre-election review of the parties' manifesto pledges noted that there were few measures to boost private pension savings and savings generally. The Association says the uncertain outcome of the general election means the brave decisions that are needed to address policy challenges affecting employers and the public in the pensions, savings and social care arenas will not be grasped

ACA Chairman, Bob Scott, commented:



“On State pensions, we were looking for a quick decision, delayed because of the election, on whether the State Pension Age increase to age 68 would be brought forward and how future changes might then progress. That now looks to be in serious doubt as to whether there will be any increase at all beyond current plans without a further review, which will mean the longer-term budget to meet an ongoing triple-lock will rise sharply for the taxpayers of tomorrow.

“On private pensions, we wanted the 2017 review of auto-enrolment (AE), scheduled for later this year, to encompass a plan to increase minimum contributions gradually over the years ahead. A review that just examines the scope of AE and minor policy details would be a major lost opportunity. AE contributions need to increase markedly, otherwise we are simply building a retirement income crisis for the future. Again, we're not clear that there will be any resolve to progress policy beyond widening coverage to the self-employed and those on lower incomes.

“We also felt the Government must act decisively to help employers to continue to offer defined benefit pensions – many millions of people still rely on the solid income they provide. Adding to regulatory powers based on a very few hard cases has proved ill-advised in the past and will likely be so in the future. Indeed, we are concerned that more high-profile regulation will be seen as the easy option over any easements to employers.

“The two major parties said nothing in their manifestos about pension taxation, but we remain worried that this will continue to be seen as an area where ‘easy money’ can be harvested to meet spending commitments with annual tweaks making long term savings overly complex. We have argued the case for a stable, simpler savings strategy without competing savings products and where locking money away for the long term is appropriately rewarded.

“On social care, a consultation is certainly needed so we can fix on a sustainable policy for decades ahead. We believe this will involve a range of solutions suited to individuals of different ages and with different financial backgrounds and requirements. The inter-generational issue has to be addressed as part of this. I am sure this is an area where our members can help in identifying policy options. However, we are unsure there is any resolve to progress policy reforms in a complex area where, as we saw during the election campaign, it’s easy to present a sensible policy in a most unfavourable light.”

During the election campaign the ACA published its own ‘wish list’ manifesto, which features in **Placard (Issue 36)** available at www.aca.org.uk (see ‘latest publications’), which also reviewed the manifesto pledges of the main parties.

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About the Association of Consulting Actuaries (ACA)

Members of the ACA provide advice to thousands of pension schemes, including most of the country’s largest schemes. Members of the Association are all qualified actuaries and all actuarial advice given is subject to the Actuaries’ Code. Advice given to clients is independent and impartial. ACA members include the scheme actuaries to schemes covering the majority of members of private sector defined benefit pension schemes. The ACA is the representative body for UK consulting actuaries, whilst the Institute and Faculty of Actuaries is the professional body.

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