



NEWS RELEASE

ACA SAYS GOVERNMENT'S RESPONSE TOTALLY INADEQUATE SO FAR...

22 October 2007: Commenting on the Department for Work and Pensions' paper *Deregulatory review - Government response* issued today, Ian Farr, Chairman of the Association of Consulting Actuaries (ACA) said:

"We are very disappointed at the modest deregulatory reforms accepted so far by the Government in this paper. Whilst these are welcome, they are by no means anything like enough to encourage employers to continue to provide good occupational schemes, particularly defined benefit schemes.

He continued, "we do welcome the commitment to look in further detail at proposals to encourage more risk sharing schemes, where the ACA has put a blueprint for legislative reform in front of the Government some months ago.

"What is disappointing is that it is not clear the Government has understood the urgency in including legislative reforms in the forthcoming Pensions Bill. If this opportunity is lost, many employers - with no real middle way available to them when reviewing their final salary scheme over the next year or so - will simply move to defined contribution, placing 100% of investment and longevity risks with members.

"We shall be making it clear over the next few weeks that legislative changes to encourage risk sharing to be included in the forthcoming Pensions Bill are vital if we are not to see a further serious deterioration in the number of private sector employees with access to good pension schemes, notably relative to those working in the public sector."

A paper on *Shared Risk* schemes and a *Questions & Answers* briefing are available on the ACA website at www.aca.org.uk (see 'Policy Statements')

For further comment:

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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 over 1600 members working in around 80 firms. ACA Members are all qualified actuaries and are subject to the code of professional conduct of the Faculty and the Institute of Actuaries. Advice given to clients is independent and impartial. The ACA forms the largest national grouping of consulting actuaries in Europe.