



As the Pensions Bill is rushed through its final legislative stages, bad legislation has become almost inevitable...

ACA SAYS GOVERNMENT'S DISINGENUOUS APPROACH TO PENSION PROTECTION FUND WILL ADD SIGNIFICANTLY TO LEVY COSTS.

18 November 2004 – With the *Pensions Bill* due for its final Parliamentary stages today, the Association of Consulting Actuaries (ACA) has underscored that the impact of schemes being placed 'retrospectively' into the Pension Protection Fund (PPF) will be to add significantly to the levy paid by schemes over the coming years. The ACA says prior claims should be funded by increasing the monies available to the Financial Assistance Scheme.

Reflecting general alarm across the pensions industry, the ACA has today expressed severe criticism of the Government's disingenuous approach to the Pension Protection Fund, whereby – despite assurances previously given – it is clear the Government is attempting at the last minute in the legislative process to give itself the ability to push additional compensation costs on levy paying pension schemes post-April 2005. By so doing, the Government is limiting the numbers of scheme members that might have to be financed by the general taxpayer through the pre-PPF arrangement, the Financial Assistance Scheme (which is itself woefully under-funded).

"We can no longer be sure the Government will not try to thrust the costs of under-funded schemes, run by firms that fail ahead of April 2005, retrospectively upon the PPF levy payers from April 2005. It is totally wrong that that this new

Note to Editors:

The **Association of Consulting Actuaries (ACA)** has over 1500 members working in over 75 firms. Members are advisers to UK pension schemes with assets in excess of £650 billion, including the vast majority of larger schemes and thousands of smaller arrangements. The ACA forms the largest national grouping of consulting actuaries in Europe.