

# Update

**June 2024**

## **Parties' manifestos published**

In this issue:

- Parties' manifestos published
- IFoA risk alert
- Pensions dashboards report

Following on from last month's 'Pensions and Savings Manifesto' from the Association of Consulting Actuaries (ACA), the main political parties have now published their manifestos for the general election.

Most notably, Labour appears to have dropped its plans to reintroduce the lifetime allowance, abolished recently by the Conservatives, due to industry concerns around the uncertainty for savers and the complexity involved.

Other commitments from Labour include a review of the pensions landscape to consider what further steps are needed to improve pension outcomes and increase investment in UK markets.

The Conservatives will introduce a 'triple lock plus', being a commitment to ensure that pensioners' personal income tax allowances will not be less than the triple locked state pension, so that pensioners with no other retirement income will not be subject to income tax.

The Liberal Democrats will develop measures to end the gender pensions gap and ensure that working-age carers can save properly for retirement. They will also require pension funds and managers to show that their portfolio investments are consistent with the Paris Agreement.

## IFoA risk alert



*Rachel Reeves, Shadow  
Chancellor of the Exchequer*

The Institute and Faculty of Actuaries (IFoA) has issued a risk alert to all members covering climate change scenario analysis.

In 2022 the IFoA issued a risk alert on climate related risks, with the message that climate change drives material financial risks, meaning it is crucial that actuaries appropriately consider and clearly communicate the impact of climate change in their actuarial work.

Scenario analysis is increasingly used by financial institutions to consider climate related financial risks by exploring different plausible futures. The latest risk alert draws attention to the fact that most widely available climate scenarios are not stress scenarios and so may lead to a systematic underestimation of climate risks.

Where climate scenarios form part of climate related disclosures, there is a need for users of this information to understand where risks may be understated. Qualitative scenario analysis may be more appropriate where there is high uncertainty, complexity and interactions between risks.

## Pensions dashboards report

An investigation by the National Audit Office (NAO) into the Pensions Dashboards Programme (PDP) has found that capacity and capability issues, including a lack of digital skills and ineffective governance, contributed to delays in the government's flagship programme.

The estimated cost of the PDP has increased by 23%, from £235 million in 2020 to £289 million in 2023, while the estimated gross benefits have fallen from £437 million in 2022 to £413 million in 2023 (although users will not have to pay to access dashboards, the Money and Pensions Service (MaPS) calculated the benefits using an estimate of the average price a user would be willing to pay annually for a pensions dashboard and the estimated value of recovered pension pots).

Pension providers and schemes are required to connect to the government digital architecture that supports dashboards by 31 October 2026, one year later than originally planned.

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*"DWP and MaPS must  
continue to work closely to  
ensure the final stages of the  
PDP are delivered smoothly  
and the public can begin to  
have access to this important  
service"*

*Gareth Davies, head of the  
NAO*

