Novus
Actuarial & Administration

Lodge Park
Lodge Lane
Langham
Colchester
Essex
CO4 5NE

Tel: 01206 233547
Fax: 01206 233548
www.novusactuarial.com

Update

July 2025

In this issue:

Pensions Commission/SPA Review

The Government has announced that it is to revive the Pensions Commission, which in 2006 built a consensus for the roll-out of Automatic Enrolment, to examine why tomorrow's pensioners are on track to be poorer than today's and to make recommendations for change.

The Commission will be made up of Baroness Jeannie Drake (a member of the original Commission), Sir Ian Cheshire and Professor Nick Pearce, who will be responsible for steering its work. They will work closely with stakeholders such as the Confederation of British Industry and the Trades Union Congress. The Commission's final report will be due in 2027.

Alongside the Commission, the Government has also launched the third State Pension Age Review (the previous review concluded in March 2023). The review involves obtaining two independent reports:

- Dr Suzy Morrissey will report on factors government should consider relating to State Pension age;
- The Government Actuary's Department will prepare a report on the proportion of adult life in retirement.

www.gov.uk/government/collections/the-pensions-commission
www.gov.uk/government/collections/third-state-pension-age-review

Novus
Actuarial & Administration

Baroness Jeannie Drake

IHT consultation response

The Government has published its response to the technical consultation on bringing unused pension funds and death benefits into scope of Inheritance Tax from 6 April 2027 (see the October 2024 issue of Update).

The main change is that personal representatives will be liable to report and pay the tax rather than pension scheme administrators (although beneficiaries will be able to direct pension schemes to pay in some cases). The response also confirms that all death in service benefits payable from a registered pension scheme will be excluded (it appears that lump sum death in deferment benefits will be included).

A consultation on the draft legislation to be included in Finance Bill 2025-26 closes on 15 September.

"The Pensions Commission laid the groundwork, and now, two decades later, we are reviving it to tackle the barriers that stop too many saving in the first place"

Work and Pensions Secretary, Liz Kendall

CMI_2024

The Continuous Mortality Investigation (CMI) has released the latest annual update to its CMI Mortality Projections Model, CMI_2024. The CMI has made significant changes to the method for CMI_2024, now that the short to medium term impact of the pandemic on mortality is better understood.

Versions of the CMI Model from CMI_2020 to CMI_2023 addressed the impact of the pandemic by placing no weight on data for 2020 or 2021 and reduced weight on data for 2022 and 2023. In contrast, CMI_2024 puts full weight on data for every year and introduces a new "overlay" term to explicitly model the initial increase in mortality caused by the pandemic as well as the fall in the following years.

CMI_2024 produces cohort life expectancies at age 65 that are about three months higher for males and about two weeks higher for females than the previous version of the CMI Model, CMI_2023.

Company news

PIC

Athora, a leading pan-European savings and retirement services group, has acquired Pension Insurance Corporation, the specialist insurer of UK defined benefit pension schemes, for approximately £5.7 billion. The transaction, which is subject to regulatory approval, is expected to close in early 2026.