



Government  
Actuary's  
Department

## **We are GAD**

### **Professional, reliable and trusted**

We're financial risk professionals and modelling experts. Our skills can help government in complex areas around long-term risk and uncertainty. We apply these specialist skills in insurance, investment, modelling, quality assurance, pensions and social security.

We're proud to be accredited under the Institute and Faculty of Actuaries' Quality Assurance Scheme, a voluntary accreditation scheme which recognises organisations' commitment to quality actuarial work.

### **Pensions policy, regulation and supervision**

We advise HM Treasury (HMT) and the Cabinet Office on policy issues relating to unfunded pensions schemes for public sector employees.

This includes advice on the costs of the schemes and issues relating to reorganisation of staff. We also provide actuarial advice to the Department for Work and Pensions (DWP) in relation to government policy affecting occupational pension schemes.

### **How we can help you**

Our focus is providing actuarial support to officials of HMT and DWP on government policy in relation to work-based pension schemes.

We have significant experience of the government policy process and working with officials in other government departments.

We draw on our wide-ranging actuarial knowledge and experience and our understanding of practical pensions issues. This means we are strongly placed to give technical and analytical advice on pensions issues which recognises the broader policy context.



## Case study: Survivor benefits review

### GAD looks at differences in occupational pensions

The Marriage (Same Sex Couple) Act 2013 required the government to review the differences in survivor benefits in occupational pension schemes between different groups and the cost and other implications of eliminating those differences. We supported HMT and DWP in establishing a methodology to enable the government to conduct the review within the necessary timeframe.

The actuarial review investigated a range of differences in occupational pension schemes between same sex survivor benefits and opposite sex survivor benefits provided to widows and widowers.

We estimated the capitalised cost of removing these differences in the public service pensions schemes was around £2.9 billion. The cost to the private sector schemes was estimated at £0.4 billion. The [full report on the review of survivor benefits](#) is available online.

## Case study: Pension scheme options

### GAD examines British Steel pension scheme's future

In May 2016, DWP issued a consultation on the British Steel pension scheme (BSPS). This was in response to proposals put forward by the BSPS and supported by Tata Steel UK. The consultation was part of a wider package of government support to help the steel workers and affected localities.

Options considered in the consultation included:

- reducing the scheme liabilities through legislation
- compulsorily transferring members to a new scheme providing reduced benefits

A DWP condition under both options was an independent assessment of the BSPS liabilities to determine the scheme's future sustainability.

GAD established a framework for assessing the adequacy of the funding level of the BSPS. We also helped DWP understand the main scheme funding risks in relation to future pension cash flow. We advised on the remaining risks inherent in an investment strategy designed to significantly reduce market risk.

#### Contact us

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