



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.

Funded pension schemes

We advise several funded occupational pension schemes in both the public and the private sectors. These can include schemes moved from the public sector, eg the coal and rail industries.

We have significant expertise in:

- advising scheme trustees and sponsors on managing the costs and risks of funded schemes
- providing day-to-day actuarial support, strategic advice and long-term planning
- advising a range of different pension schemes including multi-employer schemes as well as schemes with varying levels of government guarantee

How we can help you

We can provide advice and guidance to funded pension scheme on a variety of issues including:

- advising in a formal Scheme Actuary role as required under the Pensions Act 1995
- advice to sponsors of pension arrangements
- accounting for pension costs
- benefit design
- strategic investment reviews and asset liability modelling



Case study: Economic regulators

Assessing the suitability of pension arrangements

Experts in GAD provided actuarial support and expertise to several economic regulators. The main areas we considered in our reviews were:

- member benefit design
- investment strategy
- assumptions used to set conditions
- wider risk and cost reduction practices

Our review for the Civil Aviation Authority involved a large defined benefit pension scheme with liabilities of around £5 billion. GAD's role was to help the regulator understand and assess the suitability of the pension arrangements. In working with Ofgem and the Utility Regulator Northern Ireland, GAD reviewed the reasonableness of the pension costs incurred.

GAD's work provided an informed view of the relevant pension arrangements. This helped the regulators determine the allowance needed for pension costs when setting price control limits.

Case study: Structural redesign

GAD's advice helps improve benefits

We worked with trustees and a sponsoring department of a large funded pension scheme to investigate structural reform options. The scheme had complicated funding arrangements which involved sharing emerging surpluses between the members and the sponsor.

We provided detailed technical analysis to illuminate the complex financial implications of the various reform options. This allowed the trustees and the sponsor to agree a package of structural reforms including:

- benefit improvements for members
- the reduction of financial risk for the sponsor
- a material simplification of the funding arrangements which will promote transparency and simplify administration and governance

Contact us

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