



Government
Actuary's
Department

From the Government Actuary
Martin Clarke

[Redacted]

[Redacted]

Julian Kelly
Director General, Public Spending and Finance

www.gov.uk/gad

By email only

3 March 2015

Dear Julian

Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014

Thank you for your letter of earlier today explaining some proposed amendments to the Directions and asking for my professional opinion on them.

Following the Scottish and Welsh Governments' confirmation of alternative plans for the designs of their new schemes for fire and rescue workers and members of the police forces, I note that the Directions should be updated to ensure they reflect the proposed new scheme designs.

Comments on proposed amendments

I understand you have taken legal advice to ensure the proposed amendments reflect the Scottish and Welsh Governments' plans and, on my part, I have considered these proposed amendments and have no reason to believe otherwise.

It is also my opinion that after these proposed amendments come into force, the Directions will continue to be;

- in the round and to a significant degree, in line with the Treasury's principles for the valuations and the operation of the employer cost cap mechanism
- in the round, technically complete and coherent

Third party disclaimer

I understand HM Treasury intend to publish this letter. Third parties cannot place reliance on this letter and, in general, third parties with an interest in actuarial matters should seek their own actuarial advice where appropriate. This letter should be read in conjunction with the previous consultations with the Government Actuary on the Directions.

Yours sincerely

[Redacted signature]

Martin Clarke
Government Actuary