



Speculation over DB transfer ban could lead to ‘rush for the door’



- [James Phillips](#)
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Rumours about the government banning members from transferring their defined benefit (DB) pensions will only fuel the fire, the Association of Consulting Actuaries (ACA) has warned.

It comes as the government mulls allowing retrospective changes to pension agreements, which could see schemes move annual pension increases from the retail price index (RPI) to the generally lower consumer price index (CPI).

It could lead to larger numbers of members asking to transfer early, potentially causing schemes to limit transfers, Pensions and Lifetime Savings Association head of policy Graham Vidler [told The Telegraph](#). The number of members making requests has already increased markedly in recent months.

Chairman of the Work and Pension Select Committee Frank Field MP also warned transfers would need to be "slowed" if such a rush occurs.

However, speaking to *PP*, ACA chairman Bob Scott (*pictured*) said the prediction "stokes the fire" and is dangerous.

"Suggesting there will be a ban on transfers stokes the fire."

The ACA is also concerned members will be tempted to move their pension pots before changes are made, especially after increasing numbers of reports about DB deficits.

Scott added trustees are only likely to make changes to indexation if they deem it to be members' interests.

"The trustees need to be satisfied opting for statutory CPI is in the interests of their members. It's difficult to see that happening in a well-funded scheme.

"If they were going to opt for CPI, the scheme is probably not well-funded or the employer is not in a good position.

"There are already mechanisms under the current regime to cut back transfer values if they're in danger of damaging the scheme."

A Department for Work and Pensions spokesperson said: "We have a robust and flexible system for the regulation of occupational pensions and are working closely with the sector to understand the issues affecting DB schemes."