



GAD

Government Actuary's Department
www.gad.gov.uk

NEWS RELEASE

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NR (2005) 2

GAD welcomes today's publication of Sir Derek Morris's final report, which emphasizes that there is a strong continuing role for an independent Government Actuary and his department. The key purpose of maintaining GAD is to ensure that Ministers and government departments receive good quality independent actuarial advice.

Treasury Ministers have said:

"The Government welcomes Sir Derek's report and, in principle, accepts his recommendations, and looks forward to working through the implementation details with the actuarial profession and other stakeholders on implementation. The Government believes that Sir Derek's recommendations provide a blueprint for practical and effective reform of the actuarial profession and clarify the ongoing role of the Government Actuary and the Government Actuary's Department. The Government urges all stakeholders – the actuarial profession and its users, the Pensions Regulator, the Financial Reporting Council, the Financial Services Authority – to support Sir Derek's recommendations and work with the Government to see how they can be implemented in practice."

GAD will work with HM Treasury, the Office for National Statistics, the Department for Work and Pensions and Inland Revenue to identify practical ways of implementing the recommendations as they affect certain areas of GAD's activities. GAD is confident that it can retain its current public sector pension business, since it already operates in competition with other actuaries in many of its activities, a situation which Morris is seeking to reinforce.

GAD will continue to improve and enhance the range and standards of service it offers to its public sector clients. Our aim is always to ensure that they continue to have a readily available value for money source of objective actuarial advice, free from commercial interests. GAD is a flexible and responsive organization, and is ready to respond to the challenges and opportunities which will flow from the Morris review.

For enquiries concerning this press release please contact:
Marilyn Eskrick
telephone: 020-7211 2700, e-mail: marilyn.eskrick@gad.gov.uk



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Notes:

1. The Government Actuary's Department (GAD) was created in 1919. It offers an actuarial consultancy service to Ministers, to government departments and to clients throughout the UK public sector and overseas.

As well as performing certain statutory duties, GAD provides actuarial advice covering financial and statistical matters, including pensions, insurance, social security and demography.

GAD offers clients the benefits of:

- objective and comprehensive advice free of conflicting commercial interests;
- confidentiality on sensitive political and commercial issues; and
- wide experience in handling political and policy issues.

GAD is staffed by around 108 civil servants, of whom 38 are qualified actuaries.

2. GAD consists of two directorates. One advises public sector clients on occupational pension arrangements. This includes carrying out periodic valuations of assets and liabilities, funding rate advice, general pensions consultancy, bulk transfers, asset/liability studies and privatisation terms. The second directorate provides advice on the design and financing of social security arrangements in the United Kingdom and a number of overseas countries, as well as advising on pensions policy and regulation, carrying out pension scheme surveys, producing the official population projections for the United Kingdom and its constituent countries, and advising overseas countries on the regulation of insurance companies.

3. Although constituted as a government department, GAD operates as a consultancy firm within the public sector, offering independent actuarial advice to clients in competition with other service providers and charging fees for its services. GAD is required to charge to recover its costs but is not permitted to retain any profits, these being remitted back to HM Treasury.

4. The Government Actuary is Chris Daykin. He joined GAD in 1970 and qualified as a Fellow of the Institute of Actuaries in 1973. He worked in all major areas of GAD before being appointed Government Actuary in 1989.

Government Actuary's Department
Finlaison House
15-17 Furnival Street
London EC4A 1AB
Fax: 020 7211 2650
Switchboard: 020 7211 2600
E-mail: firstname.secondname@gad.gov.uk

NR(2005) 2