

OBR projections

The Government Actuary's Department (GAD) has extensive knowledge of public sector pensions.

Experts in GAD understand the public spending context of these schemes and the detailed technical aspects of liabilities that are just short of £2 trillion.

Analytic capability

We have the analytic capability to process the data on 15 million pension scheme members and quantify the future liabilities.

Our work helps people make effective decisions on affordable benefit levels. It also sets out appropriate allocation of costs between departments, participating employers and between different generations of taxpayers.

Forecasts and priorities

GAD provides varying levels of support to the departments in preparation of their pension scheme cashflow forecasts for the [Office for Budget Responsibility](#) (OBR). These feed into the economic and fiscal outlook published by OBR twice a year, including projecting cash flows on a variety of assumptions over the forecast period.

Together we discuss OBR's priorities for the cashflow projection exercise. We also explore opportunities to develop and improve GAD's systems for these forecasts to ensure the information OBR receives meets the objectives of the forecast exercise.

McCloud impact

OBR requested support from GAD in February to understand if the schemes could quantify the implications of [the McCloud judgment](#) in their pension cashflow forecasts.

They were appreciative of our insight on how the schemes are likely to be affected and the estimate we provided on the proportion of members who are eligible for the McCloud remedy.

Next steps

GAD has played an instrumental role in the McCloud remedy and has provided costings for all the main public sector pension schemes.

We plan to build on this work to provide estimates for the impact of McCloud on the schemes' cashflows in a consistent manner which will be helpful for

the OBR projection work.