



# Press Release

## Latest Monthly Update

London, 31 July 2014

**1 August 2014:** JLT Employee Benefits (JLT) has updated its monthly index, showing the funding position of all UK private sector defined benefit (DB) pension schemes under the standard accounting measure (IAS19 / FRS17) used in company reports and accounts.

As at 31 July 2014, JLT estimates the total DB pension scheme funding position as follows:

At 31 July 2014	Assets	Liabilities	Surplus / (Deficit)	Funding Level
FTSE 100 Companies	£519bn	£581bn	(£62bn)	89%
FTSE 350 Companies	£584bn	£656bn	(£72bn)	89%
All UK Private Sector Pension Schemes	£1,164bn	£1,346bn	(£182bn)	86%

For comparison, the corresponding figures as at 31 July 2013 are as follows:

At 31 July 2013	Assets	Liabilities	Surplus / (Deficit)	Funding Level
FTSE 100 Companies	£494bn	£538bn	(£44bn)	92%
FTSE 350 Companies	£557bn	£604bn	(£47bn)	92%
All UK Private Sector Pension Schemes	£1,124bn	£1,238bn	(£114bn)	91%

**Charles Cowling, Director, JLT Employee Benefits, comments:** "Pension scheme deficits at the end of July 2014 are higher than a year ago, despite a bullish equities market and continued significant cash contributions from sponsoring companies. The main reason behind this is a drop in bond yields. However, if the UK interest rate rises in early 2015, this could facilitate deficit reduction.

"The Government has published its response to the consultation on the pension changes announced in the Budget. Importantly, the response confirms that the Government will continue to allow transfers from private sector DB schemes to defined contribution (DC) schemes (excluding pensions already in payment) subject to additional safeguards. In addition, the rules around trivial commutation and small lump sums were further relaxed, reducing the minimum age to 55 from April 2015.

“This extra flexibility for DB schemes increases the scope for de-risking exercises such as Enhanced Transfer Values (ETVs), potentially alleviating the pressure posed by large pension deficits for the scheme’s sponsor.”

- ENDS -

## Notes to Editors

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### **About JLT Employee Benefits**

JLT Employee Benefits is one of the UK’s leading employee benefit providers offering a wide range of benefit and pension services, including administration, actuarial and pension consultancy, investment, Self Invested Personal Pensions (SIPPs) and Small Self Administered Schemes (SSASs) administration, flexible benefits, healthcare, benefit communication and financial education.

JLT Employee Benefits employs over 2,200 professionals throughout the UK and in 2013 had revenues of £172m in UK & Ireland.

Pensions and employee benefits companies within the JLT Employee Benefits group of companies include: JLT Benefit Solutions Ltd, Profund Solutions Limited, JLT Wealth Management Limited, JLT Investment Management Limited and Independent Trustee Services Limited. JLT Employee Benefits is part of Jardine Lloyd Thompson Group plc.

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### **About Jardine Lloyd Thompson Group plc**

Jardine Lloyd Thompson is one of the world’s largest providers of insurance and employee benefits related advice, brokerage and associated services. JLT’s client proposition is built upon its deep specialist knowledge, client advocacy, tailored advice and service excellence.

JLT is quoted on the London Stock Exchange and owns offices in 39 territories with some 9,000 employees. Supported by the JLT International Network, it offers risk management and employee benefit solutions in 135 countries.

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