

## Latest Monthly Update

London, 28 February 2013

JLT Pension Capital Strategies (PCS) 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 28 February 2013, PCS estimates the total DB pension scheme funding position as follows:

<b>At 28 February 2013</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Surplus / (Deficit)</b>	<b>Funding Level</b>
FTSE 100 Companies	£475bn	£538bn	(£63bn)	88%
FTSE 350 Companies	£537bn	£605bn	(£68bn)	89%
All UK Private Sector Pension Schemes	£1,142bn	£1,259bn	(£117bn)	91%

For comparison, the corresponding figures as at 29 February 2012 are as follows:

<b>At 29 February 2012</b>	<b>Assets</b>	<b>Liabilities</b>	<b>Surplus / (Deficit)</b>	<b>Funding Level</b>
FTSE 100 Companies	£437bn	£510bn	(£73bn)	86%
FTSE 350 Companies	£503bn	£587bn	(£84bn)	86%
All UK Private Sector Pension Schemes	£1,038bn	£1,181bn	(£143bn)	88%

Charles Cowling, Managing Director of JLT Pension Capital Strategies comments:

“The UK’s pension schemes seem to have emerged relatively unscathed from the recent downgrade of the UK’s credit rating. This is, however, likely to be short-lived as there are a number of pitfalls looming that have the potential to unnerve plan sponsors. The ending of contracting out is set to increase the cost of maintaining scheme benefit levels for those schemes still open to accrual, and the continuing austerity measures and the on-going quantitative easing are ensuring bond yields remain low, and liabilities high, applying continued pressure to pension schemes. The looming inflationary rises would only increase liability values further and the effect of increasing long-term longevity improvements is set to cause yet more woe for pension schemes. All of this, plus the eventual Solvency II requirements increasing the costs of scheme buyouts, paints a somewhat gloomy picture. That said, there is a silver lining as funding levels continue to increase year on year.”

## Pension scheme deficits

Latest monthly update

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### Notes to Editors:

#### About JLT Pension Capital Strategies

JLT Pension Capital Strategies (PCS) was established in 2006 to help companies to manage their Defined Benefit pension obligations, offering advice on managing scheme assets and liabilities, on communication with trustees and on finding the right funding solutions.

As part of the Jardine Lloyd Thompson Group, PCS can draw upon skills and experience in the areas of corporate finance, tax, capital markets, asset management, actuarial and general pension regulation and practice to provide strategic advice and practical answers.

[www.jltpcs.com](http://www.jltpcs.com)

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