



# Press Release

## Latest Monthly Update

London, 31 August 2013

**2 September 2013:** JLT Employee Benefits (JLT EB) 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 August 2013, JLT EB estimates the total DB pension scheme funding position as follows:

| At 31 August 2013                     | Assets   | Liabilities | Surplus / (Deficit) | Funding Level |
|---------------------------------------|----------|-------------|---------------------|---------------|
| FTSE 100 Companies                    | £486bn   | £543bn      | (£57bn)             | 90%           |
| FTSE 350 Companies                    | £548bn   | £609bn      | (£61bn)             | 90%           |
| All UK Private Sector Pension Schemes | £1,154bn | £1,271bn    | (£117bn)            | 91%           |

For comparison, the corresponding figures as at 31 August 2012 are as follows:

| <i>At 31 August 2012</i>                     | <i>Assets</i>   | <i>Liabilities</i> | <i>Surplus / (Deficit)</i> | <i>Funding Level</i> |
|--|-----------------|--------------------|----------------------------|----------------------|
| <i>FTSE 100 Companies</i>                    | <i>£448bn</i>   | <i>£505bn</i>      | <i>(£57bn)</i>             | <i>89%</i>           |
| <i>FTSE 350 Companies</i>                    | <i>£516bn</i>   | <i>£582bn</i>      | <i>(£66bn)</i>             | <i>89%</i>           |
| <i>All UK Private Sector Pension Schemes</i> | <i>£1,054bn</i> | <i>£1,214bn</i>    | <i>(£160bn)</i>            | <i>87%</i>           |

### **Charles Cowling, Director of JLT Employee Benefits comments:**

“Pension scheme deficits have reduced over the course of the year following excellent returns on growth assets and the impact of increases in corporate bond yields. Following this improvement many schemes are reconsidering whether it is the right time to secure liabilities with an insurer. However, just as demand for bulk annuities is likely to start increasing, we are seeing participants in the market considering whether to withdraw – provoked by increased regulatory and capital requirements. Goldman Sachs has decided to sell its majority holding in Rothesay Life and Legal & General completed its acquisition of Lucida at the start of August. A reduction in competition is an unwelcome development for pension schemes and companies that have plans to move towards

buy-out. It highlights the importance of monitoring the annuity market to identify opportunities and being ready to seize these when they arise.”

- 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, which through the recent acquisition of Alexander Forbes Consultants & Actuaries, now employs over 2,000 professionals. In 2012 JLT Employee Benefits had revenues of some £146m in the UK.

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 Group plc (JLT) is an international group of risk specialists and employee benefits consultants and one of the largest companies of its type in the world. JLT offers a distinctive choice to clients and partners through our combination of independence, scale and specialism.

JLT is quoted on the London Stock Exchange and employs over 8300 people worldwide and through the JLT International Network provides services in more than 135 countries.

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