Pension Scheme Deficits

JLT PENSION CAPITAL STRATEGIES

Press Release

Latest Monthly Update

London, 31 January 2012

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 31 January 2012, PCS estimates the total DB pension scheme funding position as follows:

At 31 January 2012	**Assets**	**Liabilities**	**Surplus / (Deficit)**	**Funding Level**
FTSE 100 Companies	£427bn	£479bn	(£52bn)	89%
FTSE 350 Companies	£497bn	£559bn	(£62bn)	89%
All UK Private Sector Pension Schemes	£1,030bn	£1,163bn	(£133bn)	89%

For comparison, the corresponding figures as at 31 January 2011 are as follows:

At 31 January 2011	***Assets***	***Liabilities***	***Surplus / (Deficit)***	***Funding Level***
FTSE 100 Companies	*£406bn*	*£439bn*	*(£33bn)*	*92%*
FTSE 350 Companies	*£464bn*	*£502bn*	*(£38bn)*	*92%*
All UK Private Sector Pension Schemes	*£977bn*	*£1,036bn*	*(£59bn)*	*94%*

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

"We are all holding our breath to see what markets and regulators will throw at pension schemes next, with the possibility of more quantitative easing in February. However, the sting looks set to continue with large cash demands being placed on companies by their pension schemes – particularly for those companies looking to negotiate funding agreements or recovery plans on the back of current actuarial valuations. All of these issues are masked by accounting numbers, which in truth play down how bad the position really is."

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Strategies to Solutions

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Enquiries:

Charles Cowling 07920 834047

Simon Hazeldine 01727 775 102

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.

A subsidiary 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

JLT Pension Capital Strategies
6 Crutched Friars
London
EC3N 2PH
Tel 020 7528 4892
Fax 020 7309 8330
Email solutions@pensionstrategies.co.uk
Web www.jltpcs.com

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