Press Release

Latest Monthly Update

London, 31 July 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 July 2013, JLT EB estimates the total DB pension scheme funding position as follows:

At 31 July 2013	**Assets**	**Liabilities**	**Surplus / (Deficit)**	**Funding Level**
FTSE 100 Companies	£493bn	£534bn	(£41bn)	92%
FTSE 350 Companies	£556bn	£600bn	(£44bn)	93%
All UK Private Sector Pension Schemes	£1,178bn	£1,250bn	(£72bn)	94%

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

At 31 July 2012	***Assets***	***Liabilities***	***Surplus / (Deficit)***	***Funding Level***
FTSE 100 Companies	*£445bn*	*£500bn*	*(£55bn)*	*89%*
FTSE 350 Companies	*£511bn*	*£575bn*	*(£64bn)*	*89%*
All UK Private Sector Pension Schemes	*£1,043bn*	*£1,199bn*	*(£156bn)*	*87%*

Charles Cowling, Director of JLT Employee Benefits comments:

"Pension scheme balance sheets are in better shape than one year ago. Funding levels have improved following favourable returns on growth assets and the impact of increases in corporate bond yields. All else being equal, a further 0.5% increase in yields would eliminate the aggregate UK private sector pension accounting deficit. A fully funded pension scheme would put a smile on the face of most finance directors but to what extent are they able to recognise any surplus arising?

If interest rates start to rise, companies may be facing the more palatable problem of managing accounting surpluses. Therefore, now maybe an opportune time to implement de-risking strategies that minimise unrecoverable accounting surplus while at the same time reducing the much larger buy-out deficit that represents the true long-term cost of a scheme."

--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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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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