

Latest Monthly Update

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

At 31 March 2012	Assets	Liabilities	Surplus / (Deficit)	Funding Level
FTSE 100 Companies	£433bn	£506bn	(£73bn)	86%
FTSE 350 Companies	£499bn	£583bn	(£84bn)	86%
All UK Private Sector Pension Schemes	£1,018bn	£1,194bn	(£176bn)	85%

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

At 31 March 2011	Assets	Liabilities	Surplus / (Deficit)	Funding Level
<i>FTSE 100 Companies</i>	<i>£411bn</i>	<i>£446bn</i>	<i>(£35bn)</i>	<i>92%</i>
<i>FTSE 350 Companies</i>	<i>£470bn</i>	<i>£510bn</i>	<i>(£40bn)</i>	<i>92%</i>
<i>All UK Private Sector Pension Schemes</i>	<i>£968bn</i>	<i>£1,032bn</i>	<i>(£64bn)</i>	<i>94%</i>

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

"It continues to be a very difficult time for companies and their pension schemes – particularly where an actuarial valuation is now due. In truth, the accounting numbers play down how bad the position really is. We are now holding our breath for the promised statement from the Pensions Regulator, due within a few weeks, on how it expects trustees to react to current market conditions when negotiating funding agreements or recovery plans on the back of actuarial valuations. But with no sign that quantitative easing is about to be reduced and the OECD even encouraging more quantitative easing, the pain this is causing pension schemes (by forcing up liability values) looks set to continue for some time yet."

--ENDS--

Pension scheme deficits

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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.

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.

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