

Latest Monthly Update

London, 31 May 2012

JLT Pension Capital Strategies (JLT 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 May 2012, JLT PCS estimates the total DB pension scheme funding position as follows:

At 31 May 2012	Assets	Liabilities	Surplus / (Deficit)	Funding Level
FTSE 100 Companies	£426bn	£506bn	(£80bn)	84%
FTSE 350 Companies	£491bn	£584bn	(£93bn)	84%
All UK Private Sector Pension Schemes	£987bn	£1,193bn	(£206bn)	83%

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

At 31 May 2011	Assets	Liabilities	Surplus / (Deficit)	Funding Level
<i>FTSE 100 Companies</i>	<i>£417bn</i>	<i>£452bn</i>	<i>(£35bn)</i>	<i>92%</i>
<i>FTSE 350 Companies</i>	<i>£484bn</i>	<i>£526bn</i>	<i>(£42bn)</i>	<i>92%</i>
<i>All UK Private Sector Pension Schemes</i>	<i>£984bn</i>	<i>£1,065bn</i>	<i>(£81bn)</i>	<i>92%</i>

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

"Companies with DB pension schemes are now in a worse position than ever. Pension schemes are showing record deficits and are effectively at the mercy of the markets.

"The recent Pension Regulator's statement does not give any respite, so companies need to consider whether to 'ride the storm' and hope that matters will eventually reverse out or take preventative measures to avoid any potential worsening of the situation.

"Preventative measures look expensive, whether in the buyout market or with the negative returns available on index-linked gilts. But with increasing numbers of companies and scheme trustees looking to become more risk averse there may be no alternative. However, now more than ever, companies need a strategy for tackling and managing their hugely problematic pension liabilities."

--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.

www.jltpcs.com

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