

Latest Monthly Update

London, 31 May 2013

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 May 2013, PCS estimates the total DB pension scheme funding position as follows:

At 31 May 2013	Assets	Liabilities	Surplus / (Deficit)	Funding Level
FTSE 100 Companies	£496bn	£565bn	(£69bn)	88%
FTSE 350 Companies	£560bn	£635bn	(£75bn)	88%
All UK Private Sector Pension Schemes	£1,181bn	£1,305bn	(£124bn)	90%

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

At 31 May 2012	Assets	Liabilities	Surplus / (Deficit)	Funding Level
FTSE 100 Companies	£431bn	£493bn	(£62bn)	88%
FTSE 350 Companies	£496bn	£568bn	(£72bn)	87%
All UK Private Sector Pension Schemes	£1,010bn	£1,177bn	(£167bn)	86%

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

“The Queen’s Speech heralds the end of the State Second Pension in 2016 – another nail in the coffin for final salary schemes. Employers are now going to just have to bear the extra NI costs of the ending of contracting-out or manage the problems of reducing scheme benefits for employees still accruing a final salary pension. However, not all is bad this month, with rising bond yields helping to reduce pension scheme deficits. Nevertheless companies and trustees need to consider carefully the effect of this change to the state pension, and how they can best and most diplomatically deal with it.”

Pension scheme deficits

Latest monthly update

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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.

As part 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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