

PPF bulletin

PPF's bi-monthly electronic newsletter November 2009

Levy package announced

issue 2

The PPF has delivered on its commitment to keep the pension protection levy stable for three years by confirming that the 2010/11 levy will remain at £700 million, indexed to wages (£720 million).

At the same time, the PPF announced that it plans to further ease the burden on more hard-pressed schemes by reducing the cap on its risk-based pension protection levy to 0.5 per cent.

This move will help protect 10 per cent of the schemes which pay the PPF's levy - an increase from the five per cent of vulnerable schemes protected under the previous cap of one per cent.

Further information, including the consultation document 'The 2010/11 Pension Protection Levy Consultation' can be found on the PPF's website.

The consultation closes on 11 November 2009.

New website goes live

The PPF has re-designed its website to make it easier for you to find the information you need. While much of the content remains the same, the way you access it may have changed.

Some key improvements include:

Role pages - so you can choose pages based on your role, such as pensions professional, scheme member or trustee. Relevant information can then be found on the pages,

Document library - all documents are now stored in an easily searchable database, while we will notify you of important new documents on our homepage.

FAQs - they are stored in a searchable database. The most popular will be accessible on the role pages or certain key content pages. Other FAQs can be found on our FAQ database.

And, don't forget you can **sign-up for emails**. We are totally revamping our email list. Please sign up to receive emails and choose the topics that interest you.

We hope you like our new site. Feel free to give us your feedback.

Key statistics: at-a-glance

- 104 schemes are now in the PPF
- 31,465 people are receiving or will receive compensation in the future
- The PPF paid out more than £6 million in compensation between 1 September 2009 and 30 September 2009
- The average yearly compensation is around £4,000 per person
- The oldest recipient is 104, and the youngest is seven years old
- The PPF now has a total of 342 schemes in the assessment period representing a total of 196,118 members.

Details of the schemes that have transferred and the schemes in assessment can be found on our website.

Three more schemes transfer over

The PPF took three more schemes under its wing in September, resulting in a further 1,054 people around the UK now receiving compensation - or will do so in future.

Bridgeport Machines Limited Pension Scheme, Westcrowns Ltd Retirement Benefits Scheme and Collins & Hayes Retirement Benefits Scheme are the latest schemes to transfer to the PPF.

New appointments

Barfield and Bevington appointed to the PPF Board



Dick Barfield has joined the PPF Board as non-executive Director.

After reading mathematics at Edinburgh University, Dick spent most of his career at Standard Life, where he rose to Chief Investment Manager, leading a 140-strong team and managing almost £50 billion worth of assets.

Since leaving Standard Life, Dick has held a number of non-executive roles, including chairing the investment committee at Equitas, chairing the investment sub-committees of Rio Tinto Pension Fund and the British Coal Staff Superannuation Scheme.

He is also Chairman of Baillie Gifford Japan Trust, a Director of four other investment trusts and a member of the Professional Oversight Board of the Financial Reporting Council.



John Bevington has also joined the PPF Board as non-executive Director.

John is an experienced CEO, who has served internationally on Boards in Europe, Asia-Pacific, Africa and the UK. He has worked for Shell and Unilever in operating company and head office strategic roles, in both consumer-branded and business to business sections.

He recently retired as CEO of Leatherhead Food Industrial – a global food and beverage technology-driven business.

Last year, John established Surrey Hills Footdown Fifteen - a leadership mentoring group in Surrey – which he also leads. He combines this role with selected Non-Executive Director roles in both the private and public sector.

Changes to valuation assumptions

The Pension Protection Fund has updated its valuation assumption guidance for both s179 and s143 valuations, following the consultation which began in July 2009.

The new guidance is published on our website as A5 (for s179 valuations) and B4 (for s143 valuations), both applying to valuations with an effective date on or after 31 October 2009.

The response to the consultation is published simultaneously and is also available on our website.

Solution to equalising benefits for GMPs approved

A way of making sure that men and women who belong to pension schemes being assessed for entry into the Pension Protection Fund (PPF) - or who are already PPF members - receive the same overall compensation has been approved.

By law, the PPF has to ensure that equal compensation is paid to comparable male and female members of schemes whose employers have gone bust and are being assessed for entry into the PPF, or who have actually transferred.

Differences in entitlement for men and women can, in particular, arise as a result of guaranteed minimum pensions (GMPs) - primarily brought about by differences in the state retirement age. The PPF Board has now approved a PPF-specific solution to address this.

Further information can be found on our website.

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PPF 7800 Index

End-September 2009 highlights

- The aggregate funding position (total assets minus total liabilities) of almost 7,400 DB funds is estimated to have improved over the month to a deficit of £148.9 billion at end-September 2009, from a deficit of £173.2 billion at end-August 2009. Scheme funding is worse than it was a year previously (there was a deficit of £52.2 billion in September 2008).
- The total deficit of schemes in deficit in September 2009 is estimated to have improved to £174.9 billion from £194.6 billion at the end of August 2009. In September 2008, the aggregate deficit of all schemes in deficit stood at £98.4 billion.
- In September 2009, the total surpluses of schemes in surplus increased to £25.9 billion from £21.4 billion at the end of August 2009. In September 2008, the total surplus of all schemes in surplus stood at £46.2 billion.

For a full view of the October update visit our website.

The PPF 7800 Index is published on the second Tuesday of every month.

To be published in:

November

- 2008/09 Annual Report and Accounts
- The 2011/12 Risk-Based Levy Consultation

December:

- The Purple Book 2009
- Final 2010/11 levy determination