



## Media Release

3 March 2011

For immediate release

# Xafinity: UK Corporate Pension Deficits Hold Form

Based on assumptions as at 28 February 2011, the Xafinity Corporate UK Pension Scheme model shows that liabilities in December 2011 will reach £1,383 bn.

The calm financial markets in January have persisted through February. 100 points on the FTSE100 over the month will have helped keep the aggregate deficit broadly unchanged at £362 bn.

**Hugh Creasy, director at Xafinity Corporate Solutions** said, *"This period of calm may be helpful as employers implement de-risking solutions. However, we should guard against complacency – company pension schemes are far from stable. They are perched with the potential for major swings according to the outlook for long term interest rates and inflation. A modest 0.5% twitch to inflation would throw £100 bn onto employer costs."*

The Xafinity Consulting model draws on the Pensions Regulator's latest edition of the Purple Book, which was published in November 2010. The model covers 99% of the UK's PPF-eligible DB schemes and some 12 million members, making it the most comprehensive and accurate appraisal of pension scheme funding in the UK.

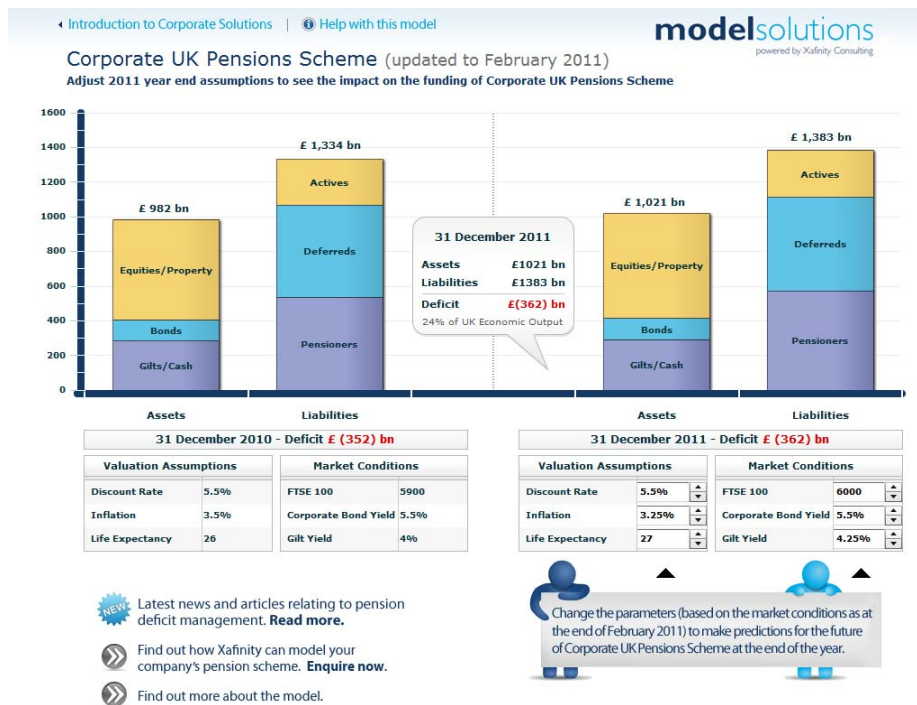
### **Hugh also commented on the recent ECJ gender ruling.**

*"The good news is that this has little impact on pension scheme costs. The great majority adopted unisex benefit calculations years ago. While transfer values may need to be handled differently, few members take that route. How insurance companies deal with the judgement for individual members will be more interesting, but that is another story."*

ENDS

### **Note to editors:**

You can visit the Xafinity's Corporate Solution's web site at <http://www.xafinity.com/modelsolutions> and use the interactive tool to see how the year end funding position of Corporate UK Pensions Scheme varies under your own economic predictions.



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## About Xafinity Consulting:

Xafinity Consulting is one of the UK's leading specialists in pensions and employee benefits. Our expertise addresses the needs of both trustees and companies in pensions and actuarial services, flexible benefits, healthcare and training. We are committed to working in partnership with our clients, providing tailored solutions to maximise the returns of their benefit strategies.

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