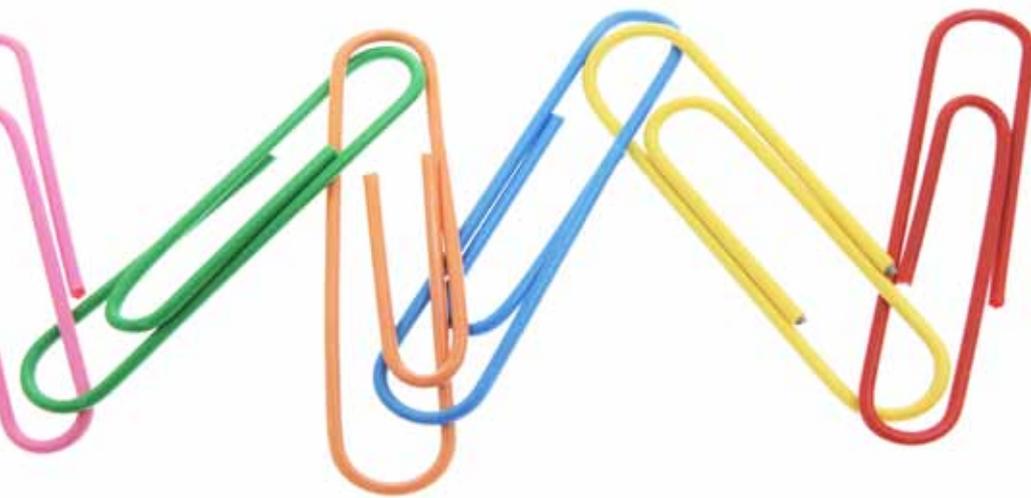


Employer Pensions Alert

The Pensions Board extends the funding proposal deadline



What you need to know

The Pensions Board announced on 26 September 2012, an extension of the funding proposal deadline to 30 June 2013.

Prior to this extension, schemes were required to submit funding proposals (where applicable) by 31 December 2012 or in the case of a Section 50 funding proposal, by the end of February 2013.

Deloitte commentary

From the employers perspective, the extension granted and the resulting further time permitted to agree and submit a funding proposal is a welcome relief. It gives additional time to sort out the practical challenges.

However, the extension does not remove the existing scheme deficits nor the real challenge in determining an affordable and sustainable pension scheme in the future.

From a pension accounting perspective, most employers are facing increased balance sheet deficits and p&I costs as a result of movements in interest rates and pending changes in the accountancy standard. The extension to the funding proposal deadline does not alleviate these pressures.

What do employers need to do?

Existing deficit and cost pressures, both on the Minimum Funding Standard and accounting basis still remain.

We therefore strongly advise that you continue or begin to work on developing an appropriate pension change strategy and/or funding proposal to address these pressures as early as possible.

Talk to Deloitte now regarding deficit management strategies/options available to you. Please refer to one of the contacts opposite.

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