



PENSION
CORPORATION

Financial Times, Letters

What poses greater risk to the security of pensioners?

23 April 2008

Sir,

In response to the Lombard leader on Wednesday 16th April, I ask the question: what poses greater generic risk to UK pensioners' security - the takeover of small employers with large, well funded pension schemes by a highly resourced and dedicated pension specialist; or persisting with a system which has presided over £140 billion deterioration in pension funding in the last nine months?

Let's focus on the real pension issues in this country. Excessive risk exposure; underfunding of the public sector pension promises; and non-participation by most people under 35.

Neither taxpayers nor the economy will benefit from the forced transfer of money from unconnected shareholders to underfunded pension plans that is implicit in the proposed new regulatory architecture. However, recent Government moves are good for Pension Corporation's business in so far as they once again underscore the liability faced by corporate sponsors, something that is widely unrecognized by shareholders.

Yours faithfully,

Edmund Truell

P.S. We do have an FSA authorised life insurer in the Pension Corporation group.