



Pensions Client Directorate

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20th June, 2008

Dear Sir / Madam,

Response to the Consultation on “Amendments to the anti-avoidance measures in the Pensions Act 2004” of April 2008

Pension Corporation is the umbrella brand for Pension Insurance Corporation Limited, Pension Corporation Investments and Pension Security Insurance Corporation Limited (“Pension Corporation”) and is pleased to have the opportunity to respond to this consultation.

Pension Corporation provides the following solutions to UK defined benefit pension funds:

- Insurance Buy-out
- Longevity Insurance
- Pension Fund Sponsorship
- Asset Liability Management

These solutions enable pension funds to protect their members’ benefits by strengthening and stabilising their financial position, and assists corporate sponsors by reducing the volatility of the true funding gap between assets and liabilities.

Pension Corporation also has investments in, or owns outright, a number of corporate sponsors of defined benefit pension schemes. It views itself as a “professional sponsor” whose aim is to ensure the schemes’ investments and liabilities are de-risked and the scheme reaches full funding.

Currently Pension Corporation has over total of £4.7 billion of pensions under its ownership or stewardship.

Executive Summary

- Pension Corporation fully supports the Government’s aim and the Pensions Regulator’s objective of protecting the full benefits of members of defined benefit schemes.
- The main risk to defined benefit pension schemes is employer failure.
- There must be a clear recognition by the Pensions Regulator and DWP that a legal duty of care is owed to the corporate sponsor by the Trustees for their actions.

