

60 SECONDS ON THE UK PENSION MARKET: REDUCTION IN DB DEFICITS

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Another development in the pension scheme space and this is a very recent development is the reduction in DB deficits. Not often a headline you see, because there are often dramatic headlines around the scale of deficits in DB pension schemes, but the observation in this article was that FTSE 100 DB pension schemes had seen a reduction in their liabilities by £36 billion in one year alone, reducing their deficits to a billion, and if you look at all private DB pension schemes, the deficit dropped by 100 billion in one year alone, taking that down to a deficit of £34 billion. So these are quite significant drops in deficits, and it would be very interesting to see how pension schemes behave in light of those reductions, because that would mean that the returns they need to get to meet their liabilities are not so huge.



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