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Britain's pensions black hole stands at nearly £190bn as two in three schemes



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- 3,537 schemes were in deficit at the end of July, Pension Protection Fund said
- They had a total shortfall of £186.5billion
- That amounted to 63 per cent of the 5,588 pension pots monitored by the PPF

By RACHEL MILLARD FOR THE DAILY MAIL

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A black hole of nearly £190billion has opened up in the retirement plans of millions of workers.

Two in three pension schemes in the UK are in the red, according to the latest industry figures.

The report will fuel fears over the health of private section pensions and the millions

of savers who will rely on them in retirement. Experts fear companies are more concerned with distributing cash to shareholders than safeguarding the future of their staff.



Warning: The Pension Protection Fund is monitoring the situation at House of Fraser

Last night The Pension Regulator (TPR), the industry watchdog, said it was worried about the 'growing disparity' between pay-outs to shareholders and payments to the pension fund.

It added: 'We expect fair treatment between shareholders and trustees.'

Pressure is growing on trustees and regulators to get company bosses to pay more into their schemes following the high profile collapses of Carillion and BHS.

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TPR is monitoring the situation at House of Fraser after it was bought by retail tycoon Mike Ashley in a deal that allows him to walk away from the pension scheme.

The latest figures from the Pension Protection Fund (PPF), the industry lifeboat, suggest there could be further problems in future. Some 3,537 schemes were in deficit at the end of July, with a total shortfall of £186.5 billion, according to the PPF.

That amounted to 63 per cent of the 5,588 pension pots monitored by the PPF, which protects savers if their company goes under.

Charles Cowling, a director at JLT Employee Benefits, said: 'There are a number of schemes – and we might be talking 150 a year – for whom this is serious and who will fall into the PPF.'

Former pensions minister and pensions expert Ros Altmann said: 'Companies may well need to pay more money into their pension scheme and the regulator is trying to toughen up so that if companies are prioritising dividends over pension pay-outs, that is not acceptable.'

The biggest pension deficits in the FTSE 100 include BT with £9 billion, Shell with £6.9 billion, BP with £6.7 billion and BAE £6.6 billion.

The watchdog has been trying to get tough on companies that don't do enough to plug their pension schemes. After builder Carillion collapsed at the start of this year with a pension black hole of around £900m, bosses were accused of putting shareholder pay-outs ahead of pension contributions.

Sir Philip Green was also pilloried after BHS collapsed with a £571 million black hole. He agreed to pay £363 million to the fund which has been bought by an insurer.

A TPR spokesman said: 'Trustees should negotiate robustly with the sponsoring employer to secure a fair deal for the pension scheme, while employers should

THE BIGGEST SHORTFALLS

- **BT: £9bn**
- **Shell: £6.9bn**
- **BP: £6.7bn**
- **BAE: £6.6bn**
- **Tesco: £6.6bn**
- **Unilever: £2.2bn**
- **GSK: £2.1bn**
- **Centrica: £1.1bn**



balance the interests of pension savers with returns to shareholders and investors.

