



Pension Review

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A NEWSLETTER FROM AND FOR REUTERS PENSIONERS AND CONTRIBUTING STAFF

PENSION REVIEW GROUP

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- Go-Pensions
- Hewitt Bacon & Woodrow
- Lane Clark & Peacock (actuaries)
- National Pensioners Convention
- Occupational Pensioners' Alliance
- Pensions Advisory Service
- Reuters Alumni

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Reuters Board to discuss pensions funding crisis?

REUTERS DIRECTORS are likely to discuss the pensions funding crisis at their July Board meeting, we hear. That's the good news. The bad news is that nothing is assured. Pensioners suffering from a third year of no increases should not hold their breath.

It does mean, however, that the Board of Directors appears to have a new appreciation of the breadth and depth of pensioners' anger, resentment and dismay at the continued withholding of counter-inflation rises.

The plight of pensioners was brought home to Chairman Niall FitzGerald at the Company's annual general meeting on April 21 (see Newsletter 4).

FitzGerald disclosed a £115 million funding shortfall in the Reuters Pension Fund for existing pensioners, with another £81 million deficit for RPF members still in service.

Many pensioners have already written to FitzGerald about their plight. If you have not yet done so, this would be a good time – before the directors meet.

We suggest that you write personally to the Chairman expressing your view about the crisis. We also suggest that you send a copy to the Company Secretary, Rosemary Martin, for circulation to all Board Directors

ahead of the meeting, expected to take place towards the end of the month.

Don't forget that Reuters now has a new address:

The Reuters Building
South Colonnade
Canary Wharf
London E14 5EP

What do pensioners want? Quite simply, we want Reuters to make good on its promises implied by past practice – until three years ago – and restore those discretionary increases that halt the gradual erosion of the value of our pensions.

For some pensioners, this is a cause of real hardship. When they should be sitting back after years of helping to build the Company, some veterans of long service with the Baron are trying to find work to make ends meet. The Board can resolve this by increasing its funding of its pension schemes, as other FTSE 100 companies have done.

Meanwhile, there is still no sign of the Hewitt Bacon Woodrow report on other FTSE 100 companies' policy on counter-inflation pension increases.

FitzGerald said at the AGM that it would appear "shortly". That was two months ago.

As we said, don't hold your breath.

Pension Review is produced by the Pension Review Group of former employees of Reuters who are concerned about the performance and value of their pension fund.

Complaint about RPF administration costs lodged with pensions watchdog

A complaint about Reuters' unilateral transfer of RPF administration costs to the Fund is to be considered by the UK pensions watchdog.

Three years ago, the Company transferred the £300,000-a-year bill to the RPF without any reference to its members. Until then, the costs of running the Fund had always been borne by the Company.

PRG members Nick Carter and Angela Dean have complained about this to the Office of the Pensions Advisory Service, which said its lawyers needed three vital documents before they could consider the complaint. These were:

- the current RPF trust deed
- the original 1893 trust deed
- the Inland Revenue's confirmation of the scheme's approval status.

Members of the scheme are entitled to request this information, OPAS told us. But getting the documents from Go-Pensions, who now run the administration of the RPF, proved a devil of a job.

The documents were repeatedly requested from Go Pensions, which asked why they were wanted!

As mentioned, members of the RPF have the legal right to this information without having to explain the reasons why they want it.

Go Pensions have now handed over the documents, which have been forwarded to OPAS.

Roll up for the pensions management merry-go-round

In Newsletter 4 in May we reported the departure of UK Pensions Manager Derek Forss whose job was axed.

Strange, then, that Reuters should advertise for a Benefits Administration Manager to keep an eye on the outsourced UK pensions administration. The new person would have to "ensure compliant and smooth operation of external administration for the UK pension plans and the global retirement plan" and "manage and control all third parties involved with these plans and coordinate with the external secretary to the Trustees of the UK pension plans".

The lack of information about Derek's departure – even the RPF and SPS Trustees were not informed of his loss to the Company – is deplorable.

What is going on?

Footnote: Derek has fallen on his feet – he is now working for Transport for London as Pensions Planning Manager.



Going, going, Go...

With Derek Forss's departure, inquiries about UK pensions are being directed to Geoff Francis of Go Pensions.

His e-mail address is geoff.francis@go-pensions.co.uk and his mobile telephone is 07795 036552.