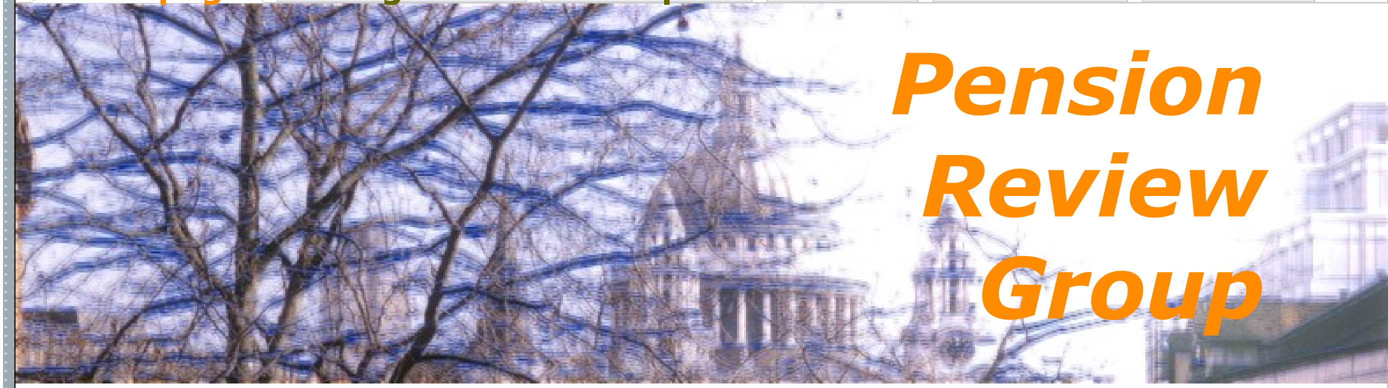

Pension Increase in 2009 Still Uncertain

Prospects for an increase in Reuters UK pensions next year to keep pace with sharply rising prices are still very uncertain.

After three years of inflation-linked rises for RPF and SPS members, the chances of making it four years in succession are overshadowed by the turmoil in world financial markets.

Reuters chief executive Tom Glocer, now head of the newly-merged Thomson Reuters, announced this year's 3.9% increase at the bi-annual UK pensioners lunch.

He made this pledge: "Honouring our pension commitments is something we take very seriously and will continue to do so."

However, UK pensioners will remember the three lean years between 2003-2005, when increases were stopped and we lost around 8% of our pensions to inflation.

Under pressure from the SPS/RPF trustees and the Pension Review Group, the company shored up the pension fund with an injection of capital and agreed to a resumption of increases in 2006.

But these remain discretionary and have to be justified each year.

The decision on whether any increase can be paid in 2009 will follow a check on the financial position of SPS and RPF as at December 31.

If there is a big enough surplus of assets over liabilities, the trustees can recommend an increase.

With the world credit crunch causing extreme market volatility, we have no guarantee there will be enough, or indeed any surplus from the funds' investments to increase pensions.

No decision is expected much before the second quarter of 2009, although the funding agreement means that any increase will be backdated to January 1, like this year.

The PRG wants the company to guarantee annual index-linked increases in the pension.

We keep in close touch with the trustees and other interested parties and will continue pressing the company to grant its former UK employees what the majority of FTSE 100 final salary pensioners take for granted - the security of a pension which keeps pace with inflation.

30 September 2008

Your comments

Newsletter archive | Go