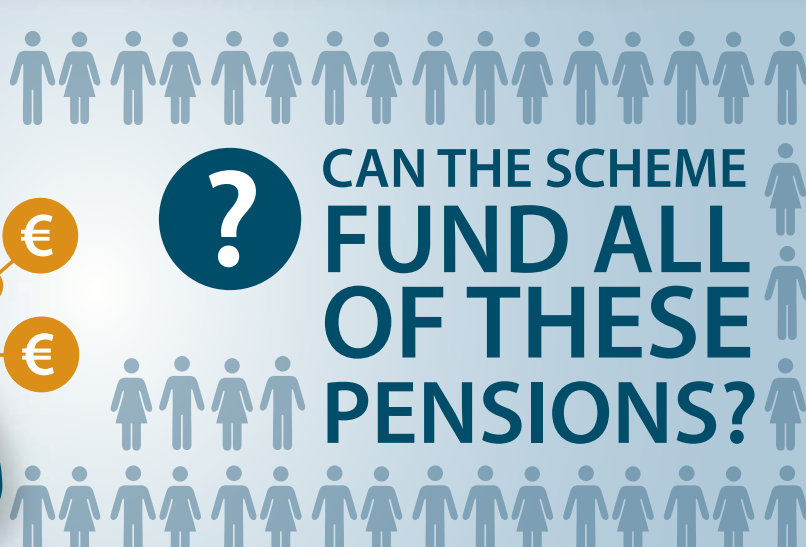


FUNDING STANDARD

PLATFORM TO MEET THE PENSION PROMISE

EMPLOYERS RETIREMENT PROMISE

PENSION FUND AVAILABLE



? CAN THE SCHEME FUND ALL OF THESE PENSIONS?

TREND LATE 1990'S

TREND LATE 2000'S

PENSION FUND \geq **COST OF PENSION PROMISED**



LIFE EXPECTANCY

73 78

INVESTMENT LOSSES ECONOMIC COLLAPSE \leq **COST OF PENSION PROMISED EXPANDING**



LIFE EXPECTANCY AT 65

82 85

- Cost of Providing Pensions Was Less
- Strong Fund & Investment Growth
- Life Expectancy Shorter

- Very Significant Fund Losses
- People living Longer and Healthier
- More Pensioners = Higher Costs

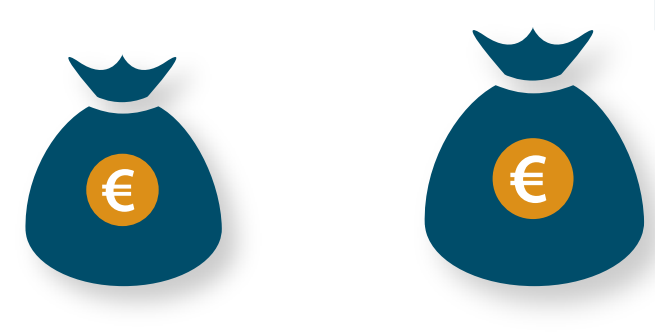
FUNDING STANDARD REGULATION

FUNDING STANDARD - ASSESSES THE OVERALL HEALTH OF A PENSION FUND AND ITS ABILITY TO MEET THE PROMISE MADE

← 2007 ----- 2013 ----- 2018 ----- 2023 →

HIGH RISK ON PENSION PROMISE = UNHEALTHY FUND

LOW RISK ON PENSION PROMISE = HEALTHY FUND



PENSION FUND \leq **PENSION BENEFITS COST**

PENSION FUND \geq **PENSION BENEFITS COST**

- Funding Standard Compliance = Minimum Risk To Pension And Member Benefit

- Funding Standard Shortfall = Proportionate Increase In Risk To Pensioner And Member Benefit

FUNDING STANDARD AT YEAR END 2013

A PLATFORM TO MEET THE PENSION PROMISE



50% OF ACTIVE SCHEMES WILL MEET THE FUNDING STANDARD REQUIREMENTS

50% OF ACTIVE SCHEMES WILL HAVE A PLAN IN PLACE TO GRADUALLY MEET FUNDING STANDARD REQUIREMENTS

PRIORITY TO 90% OF TOTAL FOR PENSIONS OF € 12,000 TO €60,000

