



Press Release

For immediate release
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Cautious Welcome for Pensions Bill from Employers

The Institute of Directors (IoD) today gave a mixed reception to the publication of the Pensions Bill. The Bill sets out plans to establish a 'Pensions Protection Fund' to ensure that members of private sector defined benefit pension schemes do not lose all of their pension if the scheme becomes insolvent.

The IoD said it welcomed the principle of the PPF, but did not want to see companies incur the cost of the additional levy. Additional insurance cost should be borne by employees who will benefit from such pension protection.

Pensions Executive at the IoD, Derek Brownlee, said:

“Ultimately the Pensions Protection Fund benefits the employee, adding additional costs onto employers who make this type of pension provision would simply lead to a further decline in the number of final salary pension schemes available in the private sector.”

Confirmation that the PPF will not be underwritten by the taxpayer was also an important concession, the IoD said.

“The PPF will only protect those people who have private sector final salary pension schemes – it simply wouldn’t be fair that taxpayers who aren’t protected, and who may not even have a private pension, should pay to protect those who do,” Derek Brownlee said.

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Notes to editors

1. The IoD (Institute of Directors), founded by Royal Charter in 1903, is a non-party political organisation with upwards of 54,000 members in the United Kingdom. Membership includes directors from right across the business spectrum – from media to manufacturing, e-business to the public and voluntary sectors. Members include CEOs of large corporations as well as entrepreneurial directors of start-up companies.
2. The IoD offers a wide range of business services which include business centre facilities (including six regional centres), conferences, networking events, issues-led guides and literature as well as information services and free access to a comprehensive business library and enquiry service. The IoD places great emphasis on director development and has established a certified qualification for directors - Chartered Director - as well as running specific board-level and director-level training and individual career mentoring programmes.
3. In addition, the IoD provides an effective voice to represent the interests of its members to government and key opinion-formers at the highest levels. These include ministers, constituency MPs, Select Committee members and senior civil servants. IoD policies and views are actively promoted to the national, regional and trade media.
4. For further information, visit our website: www.iod.com