

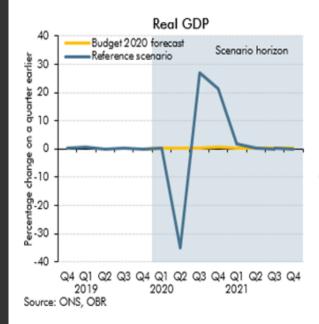
## Pensions Funding Storm

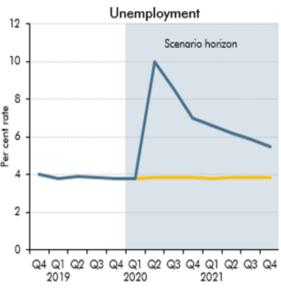
May 1 2020

# Economic backdrop

## GDP drops by 35%5 Q2

### **Jobless rate hits 10%**





## Sector Warnings

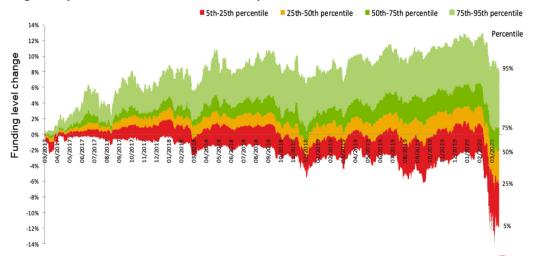
Education	90%
Restaurants and hotels	85%
Construction	70%
Manufacturing	55%
Retail	50%
Financial services	5%

OBR output losses in Q2 by sector

# Pension backdrop

### Impact on schemes' funding levels

Range of experience from 31 March 2017 to 5 April 2020





"These are unprecedented times. We will take a reasonable, pragmatic and proportionate approach to our regulation of schemes."

## COVID-19 Emergency measures

- Open to requests to reduce or suspend DRCs for up to 3 months.
- Payment of dividends and other forms of shareholder return to cease
- Trustees should also consider what is being asked of other creditors to ensure the scheme is being treated equitably.
- DB transfers can be suspended for up to 3 months.
- Easements in place until 30 June

## Post-Covid Britain 'will face twenty years of pain'

Ex-Bank of England advisor warns of onger and slower' economic recovery

## Coronavirus 'may be as damaging to global economy as 2008 crisis'

the speced of the disease. Financial warring that in the event of a global matters plunged afresh yesteoday as

There is a still a

## Universities' plea for £2bn rescue falls on deaf ears in the Treasury

Bankruptcies threaten
 Academics say research base is vital
 Whitehall split on bailout

## **FINANCIAL TIMES**





#### Virus threatens to hit economy harder than war and flu in 1918

OBR sees up to 55% output cut 

 Sunak says 'tough times to come'
 IMF predicts deep scars









#### JPMorgan and Wells Fargo warn of rising credit losses from pandemic

### RONALD PHILLIPS



ENGLISH, CIRCA 1815



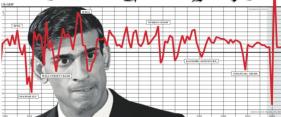
'Captain Tom', 99, 16 raises £3m for NHS

homes to stop parties The dirty

says France's Macron

Harry de Ouetteville Hope will help the nation beat the virus Jill Kirby We've forgotten care homes in our obsession with NH Philip Johnston A fearful Britain needs to be guided out of this re

## The Daily Telegraph



## Biggest economic shock in 300 years

 Budget watchdog warns of slump not seen since 1709 if lockdown lasts 3 months

 Unemployment rate could hit 10pc, with more than 3.4 million out of work

◆Grim forecast intensifies debate about

#### Care home tests promise after claims elderly have been 'forgotten'