

# press release

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## **Final Salary pension schemes still doomed!**

***The postponement of the FRS17 accounting standard will NOT save Final Salary schemes, says MX Financial Solutions.***

The Accounting Standards Board's proposal to delay implementation of the controversial FRS17 'Retirement Benefits' standard is being welcomed by leading independent employee benefit experts MX Financial Solutions.

The extension of the requirement to fully adopt the FRS17 provisions by the end of this year to 2005 will ease the pressure on schemes but not remove it. In the meantime, companies will still need to report any pension fund shortfalls in the notes to their accounts.

MX Financial Solutions says the delay will NOT halt the trend away from Defined Benefit schemes. What FRS17 has already done is hold up a mirror to reality for many companies, showing them what a real potential threat to their business, a Final Salary pension scheme could be.

Jim Aitken at MX Financial Solutions comments, "Final Salary schemes offer members the promise of a defined benefit but they are serious open-ended financial commitments. For companies already facing increased business pressures the additional 'unknown' risk involved in such a pension scheme is one they can happily do without!

“Moves towards Defined Contribution (Money Purchase) pension schemes were already under way before the advent of FRS17. A number of factors converged to accelerate the trend including the Pensions Act, dividend tax credit changes and the minimum funding requirements.

“Poor investment returns in recent years and the disappearance of contributions holidays have left many well known companies having to write large cheques to top up their pension schemes. Also, modern money purchase schemes can be more suitable for many employees since fewer employees these days spend all their career with one employer.”

The deferring of the FRS17 requirement may cause some companies currently reviewing their pension schemes to think again but for many, other compelling reasons to switch to a Money Purchase scheme will still win the day.

MX Financial Solutions is responding to the current need for clear information and guidance for those running pension schemes by producing a comprehensive guide "Reviewing Your Company Pension". The book reviews the major issues that they face and the decision making process. It also includes a glossary of pensions terms provided by the Plain English Campaign.

If you are interested in offering this book to your readers please ring Shakila Ahmed on 0870 191 5637 or email [shakila.ahmed@mxfs.co.uk](mailto:shakila.ahmed@mxfs.co.uk). Please note that as a specialist publication, it is only available to decision makers running pension schemes.

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## Notes to editor

The Accounting Standards Board has deferred FRS17 to take account of the fact that all companies listed in European Union member states will be required to follow new International Accounting Standards Board practices from 2005.

Images of the cover of "Reviewing Your Company Pension" and of Jim Aitken are available as JPEG – please contact Shakila Ahmed on 0870 191 5637.

MX Financial Solutions ([www.mxfs.co.uk](http://www.mxfs.co.uk)) was created through the merger of two award winning financial services groups, Willis National - corporate IFA of the year\* - and Moneyextra , one of Britain's most comprehensive financial websites.

MX Financial Solutions is an independent subsidiary of Bristol & West.

MX Financial Solutions has more than 200,000 personal clients and 2,500 corporate clients ranging from small enterprise to multinational concerns.

Reviewing Your Company Pension was written by Stephanie Hawthorne, editor of Pensions World. The book, published by MX Financial Solutions, costs £25.00, 120pp soft back.

MX Financial Solutions also offers high quality employer sponsored benefits and voluntary benefits packages, helping companies to provide a coherent human resources strategy and a comprehensive range of financial services for their employees. MX Financial Solutions has more than 50 advisers throughout the UK specializing in advising corporate clients.

Money Marketing - Willis National was named corporate IFA of the year for the second time in 2001.

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