

## **BT and Trustee announce agreement on the 2017 Valuation**

BT and the Trustee of the BT Pension Scheme (BTPS, or the ‘Scheme’) have reached agreement on the 2017 triennial funding valuation (the ‘2017 valuation’). The assets of the Scheme have been valued at £49.3bn and the liabilities at £60.6bn giving a funding deficit at 30 June 2017 of £11.3bn. This is an increase from the 2014 valuation reflecting the low interest rate environment at the valuation date. A recovery plan has been agreed with BT to address the deficit over 13 years with £4.5bn being paid before the end of June 2020. [[Click here](#) to read BT’s announcement of 10 May 2018]. The Pensions Regulator has been kept informed as discussions progressed between the Trustee and BT.

Simon Lowth, BT CFO, said: “I am pleased that together with the Trustee we have reached an agreement over the pension fund valuation and recovery plan that is both fair and affordable. It draws a line under a key source of uncertainty for BT, its Scheme members, and all our stakeholders, and allows us to move ahead with confidence as we deliver on our strategic initiatives such as investing in our network and improving customer experience. This agreement is consistent with our funding priorities of investing in the business, supporting the pension fund, paying progressive dividends and maintaining a healthy balance sheet. The closure of the Scheme and the investment strategy agreed will materially reduce pensions risk for the company.”

Paul Spencer CBE, Chairman of the BTPS Trustee, said: “The Trustee is pleased to have reached agreement with BT on the valuation of the Scheme as at 30 June 2017. The valuation reflects the economic and market conditions at the valuation date and secures an updated and improved funding plan for the Scheme supported by a range of protections. The substantial contributions agreed with BT in the near term, together with ongoing developments in the Scheme’s investment strategy, are expected to lead to a material improvement in the stability of the Scheme’s funding position.”