

Policy and Planning Manager
Financial Reporting Council
5th Floor Aldwych House
71-91 Aldwych
London WC2B 4HN

Wednesday 11th March 2009

Dear Sir

Re: Consultation on Strategic Framework and 2009/10 Levy Proposals

Please find enclosed the response of Royal Mail Pensions Trustees Ltd to the above consultation. Royal Mail Pensions Trustees Ltd is the corporate trustee of the Royal Mail Pension Plan, which has assets of £23.7 billion and a total membership of 452,000 as at 31 March 2008.

The Board of Trustee Directors consists of eleven individuals with a broad range pensions knowledge and experience, including both professionals and independent trustees.

We have provided responses below to the specific questions about the actuarial standards and regulation work the FRC carries out and the related levy on pension schemes.

We look forward to receiving the summary of responses received in due course.

Peter Metcalfe
Head of Finance and Membership
Royal Mail Pensions Trustees Ltd

FRC CONSULTATION RESPONSES

We have no comments on Questions 1- 4

5) Do you have any comments on our draft budget for 2009/10?

The total budget for Actuarial Standards and Regulation for 2009/10 has increased by over 20% when compared to the forecast for 2008/9. This is explained as relating to disciplinary case costs rather than core operating costs but nevertheless is a significant extra cost for levy payers to bear.

6) Do you have any comments on our draft funding projections for 2009/10?

No

7) Do you have any comments on our proposed preparers' levy rates for 2009/10? Do you have any comments on our proposed insurance and pension levy rates for 2009/10?

The increase in the proposed levy on pension schemes is just under 7%. Pension schemes (in particular defined benefit schemes) have had to bear an increasing and significant burden of levies in recent years and they have very limited control over the amounts they are required to pay. Any increases which are above the rate of inflation, such as the one proposed here, put further strain on schemes financial resources.