From the Chair

19 September 2018

Lesley Titcomb
Chief Executive
The Pensions Regulator
Napier House
Trafalgar Place
Brighton
BN1 4DW

Dear Lesley,

Kodak

Members of the Kodak pension plan (KPP2) have been informed that the scheme cannot continue in its current form and the most likely outcome is that the scheme will in due course enter PPF assessment.

KPP2 was created in unusual circumstances, following a regulated apportionment arrangement (RAA). This arrangement required the approval of the Pensions Regulator.

In its section 89 report, the Pensions Regulator noted that:

“The trustees of KPP2 and the regulator therefore agreed a governance framework in relation to the scheme. This involves:

• regular, scheduled monitoring of the performance of the Alaris businesses and the scheme’s funding position
• restrictions on the augmentation of benefits
• restrictions on investments
• triggers for the winding up of the scheme, based on the position of the scheme.

The regulator considers that the governance framework provides a level of protection for the PPF and members by limiting the potential deterioration of the scheme’s position.”

1 The Pensions Regulator, Report under s89 of the Pensions Act 2004, November 2014
Members of the scheme have received benefits better than the PPF for more than four years longer than they might otherwise have done, which is welcome. Nevertheless, the PPF is now facing its biggest single claim to date.

In the light of this announcement, might you please reflect on whether there are any lessons that the Pensions Regulator could usefully learn from this unusual experience? In particular, it would be helpful to have your assessment of the level of protection it has provided for the PPF, as envisaged by the section 89 report.

Best wishes and I look forward to hearing from you,

Rt Hon Frank Field MP
Chair