



Who Owns the investment decision? An Employer Perspective

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About GE in 2009

- Revenue \$B 157
 - Net Income \$B 11.2
 - Total Assets \$B 781
 - Share Holders Equity \$B 117
-
- Operations in more than 100 countries





GE and Pension Plans

- Main Post Retirement Benefit Plans * # 32
- Total Assets \$ B 50
- Active Employees # 157,000
- Vested Former Employees # 239,000
- Retirees & Beneficiaries # 239,000
- 2009 Pension Cost \$ B 1

— * US and Non US Plans





GE main Irish Plan

Origins – Woodchester Acquisitions in 1997

- Total Assets € 65 m
- Active Employees # 21
- Deferred members # 436
- Retirees & Beneficiaries # 136
 - Scheme closed since 1995
 - 2006 Strategic Asset Allocation - Sell Irish Property
 - Re-balance towards International Equities





GE Approach to Pensions

- An important part of employee retention
- Last 5 years have seen cash injections to a number of non US plans
- Historically Large Surplus – US Plans
- Current Employee Retention Focus on 3 areas
 - Overall Salary & Benefit Package
 - Healthcare Cost
 - Post Retirement Benefit cost





Impact of recent Events on Irish Scheme

- Despite funding surplus 3 years ago – now in deficit
- To date all focus has been on assets
- Past changes to asset structure – amicable & well managed
 - Good consultant involvement
 - Plenty of pre-planning
 - Clear decision making process agreed in advance
- Historic resistance to benefit changes – under review
- Next decision will involve Risk Reduction – more input from employer
- Future changes are likely to be more contentious





THANK YOU

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