

A bias towards labour? That wasn't what I expected to s...

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The [FT has reported](#) this morning that:

Companies hard hit by Covid-19 may have to put dividends on hold if they are facing a cash squeeze but have large pension shortfalls, the UK regulator has warned.

They added:

David Fairs, executive director of regulatory policy with the Pensions Regulator, said retirement schemes should “not be the only creditor feeling the pain” if a company is struggling to recover from the impact of the pandemic.

There are, of course, companies who are struggling after the Covid crisis. Pension fund contributions often take the hit in this case, coming (it seems) at the bottom of the pile of priorities in many cases, with significant pension deficits existing in many companies.

I am delighted to see this attitude from the regulator. Employees have a higher claim on a company than its shareholders. It is the shareholders who, after all, take the residual risk in any company, not those who do or have worked for it. I hope that this new bias is pursued: it is right and proper.