SLAUGHTER AND MAY

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ISSUE 11

Pensions and Employment: Pensions Bulletin

Legal and regulatory developments in pensions

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Find out more about our pensions and employment practice by clicking here.

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For more information, or if you have a query in relation to any of the above items, please contact the person with whom you normally deal at Slaughter and May or Rebecca Hardy.

I. The Watch List

The Watch List is a summary of some potentially important issues for pension schemes which we have identified and where time is running out, with links to more detailed information. New or changed items are in **bold.**

No.	Topic	Deadline	Further information/ action
1.	Information to retiring DC members about the guidance guarantee	6th April, 2015	Template information available on request
2.	Information to transferring DB members about the requirement for independent financial advice	6th April, 2015	Pensions Bulletin 15/09
3.	Requirement to check that independent financial advice received before effecting DB transfers	6th April, 2015	This Pensions Bulletin **Action point: Check transfer-out provisions in scheme rules. They will require amendment if they give members the right to transfer without taking independent financial advice**
4.	New governance requirements for occupational schemes which have money purchase benefits in them (unless limited to AVCs)	6th April, 2015	Client note dated 24th February, 2015 (updated 2nd April, 2015) available from Lynsey Richards Note additional requirements for "relevant multi-employer schemes" – see Pensions Bulletin 15/08
5.	Cap on charges in default fund for auto-enrolment qualifying schemes	6th April, 2015	Client note dated 24th February, 2015 (updated 2nd April, 2015 to reflect exemption from charge cap for AVCs) – Pensions Bulletin 15/06) available from Lynsey Richards
6.	Abolition of refund of contributions for members of occupational schemes with at least 30 days' pensionable service who are just provided with money purchase benefits	1st October, 2015	Pensions Bulletin 15/09 **Action point:** Check scheme rules and amend where necessary (by 1st October, 2015) to remove right to refund of contributions where member has at least 30 days' qualifying service but less than 2 years' qualifying service
7.	Proposed ban on corporate directors	1st October, 2015 but exception proposed for corporate trustees	Pensions Bulletin 15/07
8.	VAT recovery changes	31st December, 2015	Pensions Bulletin 15/06 Start putting in place tripartite agreements with investment managers to improve VAT recovery
9.	Proposed reduction in Lifetime Allowance from £1.25 million to £1 million	6th April, 2016	Pensions Bulletin 15/05
10.	Abolition of DB contracting-out: managing additional costs	6th April, 2016	Pensions Bulletin 15/05 Checklist available to clients on request. Planning for this should be well developed by now.
11.	Abolition of DB contracting-out: practicalities	6th April, 2016	Pensions Bulletin 14/08 Checklist available to clients on request. Planning for this should be well developed by now.
12.	Prohibition on Active Member Discounts in auto-enrolment qualifying schemes	6th April, 2016	Pensions Bulletin 14/16
13.	Automatic transfers of DC pots of £10,000 or less	Phase 1 1st October, 2016	Pensions Bulletin 15/03
14.	Registration for Individual Protection 2014	Before 6th April, 2017	Pensions Bulletin 14/12
15.	Proposed reduction in annual allowance for high earners	6th April, 2017	Included in Conservative party manifesto. Await 8th July, 2015 Budget for developments

II. DB to DC transfers: Requirement for independent advice: Transfer right under rules

A. Overview

1. The Pension Schemes Act 2015 (the "**Act**") includes a requirement that, where a member with "safeguarded benefits" (broadly, defined

benefits), or a survivor of such a member, wishes to:

1.1 transfer those benefits to a DC arrangement, or

1.2 convert the DB benefits to DC benefits in the same scheme

the scheme trustees must check that the member or survivor has received "appropriate independent advice" (the "**independent advice**" requirement).

2. The independent advice requirement applies both to statutory transfers and to transfers made under scheme rules where applications for statements of entitlement were made on or after 6th April, 2015. There is an exception where the member's safeguarded benefits in the scheme are valued (on a CETV basis) at £30,000 or less.

3. Failure to carry out the check does not invalidate the transfer, but renders the trustees liable to civil penalties of up to £5,000 for an individual and £50,000 for a company.

Comment: We expect the Regulator to be proactive in levying penalties in order to ensure compliance, as evidenced by its approach to breaches of auto-enrolment duties.

B. The role of the trustee

1. The trustee is required to check that the member has obtained **appropriate independent advice** before allowing a transfer of safeguarded benefits.

2. The 6 month deadline for effecting a transfer does not apply where the transfer is of safeguarded benefits and the trustee has:

2.1 been unable to carry out the check for reasons outside its control, or

2.2 carried out the check but the check did not confirm that the member had received appropriate independent advice.

3. The trustee's duty is to check that advice has been received: The Regulator notes in its guidance on the trustee's duty to check[1] "*it is not the trustees' role to second guess the member's individual circumstances and choice to transfer safeguarded benefits. It is also not their role to prevent a member from making decisions which the trustees might consider to be inappropriate*".

C. Transfers under scheme rules

1. The requirement to check that independent advice has been taken applies to transfers made under the scheme rules in the same way as for statutory transfers. **But some scheme rules give the member the right to a transfer without taking independent advice.**

2. The legislation gives trustees a power to modify scheme rules to ensure trustees are not required to make a transfer payment in the situation where the trustees are unable to establish that the member has received appropriate independent advice. This gets round any Section 67 issues that might otherwise arise[2].

Action point: Check transfer provisions in scheme rules. Where trustees have a discretion to transfer, exercise of that discretion should be conditional on advice having been obtained.

[1] "DB to DC transfers and conversions" published in April, 2015

[2] Section 67 prohibits changes to scheme rules that adversely affect accrued rights unless certain conditions are satisfied or the member consents to the change.

Where trustees are **required** to transfer, a rule amendment will be required to make the transfer conditional on receipt of advice. But any rule amendment will require careful drafting to ensure that a failure to check does not cause the transfer to be made in breach of trust.

You should assume it is not possible to amend retrospectively. As a practical matter, as trustees are required to effect the transfer within 6 months of the "guarantee date", any change should be put in place by 6th October, 2015 at the latest.

III. Treasury announces consultation on pension freedoms

On 17th June, 2015, during Prime Minister's Questions, the Chancellor of the Exchequer announced that HM Treasury will be consulting on further actions to strengthen people's rights to access their pensions flexibly.

According to the HM Treasury press release accompanying the announcement, although 60,000 individuals have taken advantage of the new flexibilities so far, there is a concern that some people are facing unnecessary barriers when trying to do so.

The consultation, expected to begin next month, will include:

- options to address excessive early exit penalties, including consideration of a cap on these charges, and
- the possibility of having a clear, standardised process for transferring within a reasonable timeframe.

In correspondence with HM Treasury on 17th June, 2015, the FCA has agreed to gather evidence of the prevalence and level of exit fees and charges across the industry to develop an evidence base for intervention. This exercise will begin later in June and will conclude in August.

The FCA also says it will support the Government in assessing the process and timing barriers which consumers face when seeking to transfer. HM Treasury is particularly concerned that some providers are not allowing consumers to access their savings even if they have met the regulatory requirements to seek advice. The FCA has agreed to investigate this further.

HM Treasury asks the FCA to make it clear to firms that "*putting unnecessary and unfair barriers in the way of consumers seeking to legitimately transfer their pension savings is not acceptable*". Where this is found to be the case, the FCA should "*consider whether this could be regarded as a breach of [the provider's] responsibility to treat customers fairly*".

The ABI has also weighed in to the debate issuing an action plan proposing a new "customer control" mechanism that would allow customers to access their pension pot without having to pay for advice. This would replace the existing legislative requirement for regulated advice by an FCA-authorised adviser to be obtained for transfers which have guaranteed annuity rates and where the benefits are valued at more than £30,000.

The ABI proposes that this mechanism be delivered through a specific guidance session by Pensions Wise or TPAS and enshrined in a protocol agreed with the FCA and the Financial Ombudsman Service.

Other elements of the ABI action plan include:

- the establishment of a task force comprising representatives of the Government, the Regulators, pension providers and advisers,
- the FCA to set out clearly those products and circumstances where advice should be taken,
- HM Treasury to work with the FCA and the DWP to change the legislation in order to clarify the definition and valuation of "safeguarded benefits", and
- the ABI and its members to ensure clear, consistent communications to customers on the products and services available.

Comment: It may be said to be fundamental to the rule of law, particularly on the 800th anniversary of the signing of Magna Carta, that, where there is a valid contract, it is open to an insurer:

- not to transact, or
- to transact on terms allowing it to recover its costs.

Given the speed with which the flexibilities were introduced, it is not surprising that insurers are adopting a cautious approach in making them available.

IV. FCA response to consultation on proposed changes to pension transfer rules and final rules

A. Overview

1. On 8th June, 2015, the FCA published Policy Statement 15/12, including feedback on its March 2015 consultation (CP15/7) on proposed changes to pension transfer rules.

2. The **Pension Schemes Act 2015** brought advice on transfers from DB schemes to occupational DC schemes into the FCA's remit with effect from 6th April, 2015. Previously the FCA was responsible only for regulating advice on transfers out of DB schemes into personal pension schemes.

3. CP15/7 set out the FCA's proposals to:

   3.1 amend its rules to incorporate the new specified activity of advising on conversions or transfers of "safeguarded benefits" to "flexible benefits", and

   3.2 require that all advice on DB to DC pension transfers be provided or checked by a Pension Transfer Specialist.

B. Consultation response

Changes made as a result of the consultation include:

1. introduction of a specific exception to the FCA rules for advice on transfers from occupational schemes of non-safeguarded benefits: the IFA must still have the appropriate permission to advise, but there will be no requirement for the IFA to be a Pension Transfer Specialist,

2. the FCA intends to proceed with its proposal that the conversion or transfer of benefits from pension policies with a guaranteed annuity rate ("**GAR**") should **not** require the involvement of a Pension Transfer Specialist,

3. helpful confirmation that, where an occupational pension scheme holds a policy with an insurance company which includes a GAR such that the only promise made under the scheme rules is that the member's benefits will be the benefits provided by the policy, this will be a "money purchase benefit" not a "safeguarded benefit" so that advice will not be required.

   Comment: This is likely to be the case for most, if not all, occupational schemes where members have some kind of GAR

C. Other points to note

Other points, not relating to the rule changes but addressed in the feedback response, include:

1. the DWP has confirmed that it will work with the FCA and the pensions industry with a view to publishing broad categories/themes to help providers identify "safeguarded benefits" and apply the advice requirement,

2. later this year, as part of its broader review of its handbook pension rules, the FCA says it will consider whether there is a need for full review of its "transfer value analysis" requirements,

3. the FCA has raised with the DWP the issue of non-UK residents having to take advice from an FCA-authorised adviser when seeking to transfer pension benefits overseas. As an FCA adviser is unlikely to know the local tax regime or pension rules, non-UK residents are also likely to need to seek advice from a local (overseas) adviser. The FCA has raised the potential difficulties and costs this requirement imposes on non-UK residents with the DWP, which has confirmed it will consider whether legislative amendments are needed, and

4. where an IFA had permission pre-6th April, 2015 to advise on pension transfers ("**old permission**") such an IFA has been automatically grandfathered to give it permission to "*advise on the conversion or transfer of pension benefits*" ("**new permission**").

   Comment: As a consequence of the grandfathering, such firms appear on the FCA register as having only the old permission. In theory, this makes it impossible for trustees making DB to DC transfers to satisfy themselves that the provider of the "appropriate financial advice" has the correct permission, as required by the legislation. But the FCA says it is in the process of redesigning the Register to remedy this.

   The feedback paper and final rules are on the FCA website.

New Law

V. EMIR: European Commission extends pension funds exemption

The European Commission published a Delegated Regulation on 5th June, 2015 proposing that the exemption for pension funds from Central Clearing requirements for their "over the counter" derivative transactions be extended by 2 years, to 16th August, 2017. The Commission believes that counterparties need the extra time to develop a solution to the problem of pension schemes having to source cash for central clearing.

The European Parliament and the Council of the EU now have until 5th September, 2015 to object to the draft legislation (meaning that, for the 3 weeks between 17th August, 2015 (when the current exemption expires) and 5th September, 2015, there will be no legislative basis for the exemption).

Comment (1): Our briefing of 8th October, 2012 looked in more detail at the impact of EMIR on pension funds, in particular the extent of the clearing obligation exemption, concerns with this, and the obligations in relation to risk mitigation and disclosure that took effect on 12th February 2014.

Comment (2): The pensions exemption may not extend to all kinds of derivative contract that pension schemes are permitted to enter into under the EU Pension Funds Directive[3] due to a mismatch between the wording of the exemption and the wording of Article 18. For more information on the EMIR clearing requirements see our recent publications on "Gearing up for clearing"

Tax

VI. Pension Schemes Newsletter 69

This was published on 16th June, 2015.

It includes:

- a reminder that schemes operating relief at source must submit an annual return of individual information for 2014 to 2015 to HMRC by 5th October, 2015,

- a note that, for 2014 to 2015, HMRC received in total 7,719 applications to register pension schemes, a 50% reduction compared with 2013/2014. Of these, 90% have been registered. HMRC has currently refused registration for around 7% and decisions are pending on the remainder,

[3] Article 18(1) of Directive 2003/41/EC

- on **pensions flexibility**: there is more information about the new in-year repayment processes for individuals taking pension flexibility payments. Schemes are asked to remind members to use the new forms,

- on **certificates of residence**, a reminder that, from 4th August, 2014, schemes that wish to apply for a certificate of residence must complete and submit an APSS146E form even where also submitting an overseas tax form.

  Note: Some countries require UK pension schemes that hold investments in that country to provide a certificate of UK residence before they allow them to reclaim tax payable in respect of such investments under a double tax requirement, and

- information about the changes to the published list of overseas pension schemes ("**ROPS**") (previously QROPS), emphasising that reviewing the ROPS list should not be only check that schemes carry out and rely upon when deciding whether or not to make a transfer. (see Pensions Bulletin 15/10 and item **VII** below)

The Newsletter is on HMRC's website

VII. HMRC temporarily suspends its ROPS list

On 17th June, 2015, HMRC announced the temporary suspension of its list of Recognised Overseas Pension Schemes ("**ROPS**") (previously known as the "QROPS list").

HMRC has recently contacted all ROPS scheme administrators requiring confirmation that the scheme still qualifies as such after 6th April, 2015, when a new "pension age test" (requiring that pension/lump sum benefits are not payable before 55 unless an ill-health condition is met) was introduced.

ROPS that do not satisfy the new requirements will not appear on the list when it is re-published in early July. HMRC emphasises that schemes considering transfers to ROPSs should satisfy themselves that a scheme is a qualifying ROPS. But, where a scheme has ceased to be a qualifying ROPS, individuals who transferred their pension savings to that scheme before it ceased to qualify will continue with the same beneficial tax treatment as if the scheme had remained a qualifying ROPS.

Comment: Transfers to ROPS are high risk for registered pension schemes. For a note on ROPS generally, and the issues for UK trustees, please get in touch with your usual pensions contact at Slaughter and May.

Cases

VIII. Compromise agreements and pension rights: Ombudsman's determination in relation to White

A. Overview

1. On 20th May, 2015, the Deputy Pensions Ombudsman decided in this case that a member's right under a scheme's rules to an unreduced pension from age 50 on redundancy could be considered a disputed right capable of being settled in a compromise agreement.

2. The Deputy Ombudsman dismissed a complaint by Dr. White ("**W**"), a member of the Thames Water Mirror Image Pension Scheme (the "**Scheme**"), who signed a compromise agreement with his employer stating that the termination of his employment was "by mutual agreement" and that he waived any right to an unreduced pension under the scheme rules. W then complained when his pension was actuarially reduced.

B. Facts

1. W was employed by Thames Water Utilities Limited ("**Thames**"). The rules of the Scheme provided for payment of an unreduced pension from age 50 if the employer certified

that the member's employment had ended "*by reason of redundancy or in the interests of the efficient exercise of employers' functions*".

2. In early 2013, Thames was making redundancies. A document on its intranet site stated that employees not subject to compulsory redundancy could apply to take "consequential voluntary redundancy" but would not be entitled to an immediate unreduced pension in these circumstances. It also stated that the termination letter would "*state that your reason for termination is "redundancy" but….if questioned, the Company will be obliged to confirm that redundancy was voluntary.*"

3. W applied to take "consequential voluntary redundancy" and received a draft compromise agreement in April 2013 stating he was leaving by "mutual agreement" and "irrevocably confirms that he has no right and will not seek to exercise any right to claim an early retirement pension". W spoke to his line manager, took legal advice and proposed changes to this provision, which were rejected by Thames. He "reluctantly" signed the compromise agreement in July 2013 and his employment terminated on 10th September, 2013 following which he received an actuarially reduced pension.

4. Clause 16.2 of the Compromise Agreement stated that W was not precluded from pursuing "*any claim for pension entitlement which has accrued up to the Termination Date*".

5. We complained to the Ombudsman that Thames had used the compromise agreement to circumvent the scheme rules regarding payment of an unreduced pension.

6. He further claimed that the Court of Appeal decision in **IMG v German** (where the Court held that it was possible to compromise pension entitlement in relation to a "*bona fide dispute*") applied only where a compromise agreement was used to resolve a **pre-existing dispute** about a pension right, and so did not apply to his circumstances.

C. *Determination*

1. The Deputy Ombudsman dismissed W's complaint.

2. When his employment was terminated, W had an accrued right to a pension that would be reduced actuarially if taken early and this accrued right was therefore carved out of the compromise agreement by clause 16.2. Any right to an unreduced pension under the scheme rules was not an "accrued right". Rather it was a prospective or potential future right as it depended on satisfying the requirements in the rules.

3. If W had gone to the Employment Tribunal to claim that he had complied with the requirements for unreduced pension in the scheme rule he would have needed to show that he left by reason of redundancy. This tribunal claim would amount to a disputed right or entitlement capable of being compromised by agreement following **IMG** and **IBM v Dalgleish**.

4. As to whether the dispute was "pre-existing", case law did not define the term in holding that pre-existing disputes about pension rights were capable of a bona fide compromise. But W was aware of the intranet document and had attempted to negotiate revisions to the relevant provisions of the compromise agreement before it was completed in good faith. W, who had taken legal advice on the matter, was aware of the provisions in the compromise agreement waiving any right to an unreduced pension.

He had therefore validly waived any claim he may have had to an unreduced pension.

Comment: This determination serves as a reminder that employers should proceed with great care when offering early retirement as part of a redundancy exercise in order to avoid triggering an entitlement to unreduced pension.

Readers with long memories will recall the Court of Appeal decision in **Agco v. Massey Ferguson Pension Trust** in 2003: the Court held that the early retirement rule in the Massey Ferguson scheme, which said that an employee aged 50 or over who "retires from service at the request of the employer" was entitled to unreduced early retirement pension, applied to those taking voluntary redundancy (although not to those whose redundancy was compulsory).

Points in Practice

IX. Abolition of DB contracting-out: 9 months to go!

HMRC's latest Countdown Bulletin, published on 17th June, 2015, emphasises that, with only 9 months to go until the end of DB contracting-out, schemes must send an expression of interest to use the Government's scheme reconciliation service before 5th April, 2016.

Schemes that do not register before this date cannot use the service.

HMRC will continue to deal with queries relating to the abolition of DB contracting-out until October 2018; the deadline for HMRC to respond to these is December 2018.

The Bulletin reminds users that the DWP's state pension toolkit contains guidance, videos, factsheets, info-graphics and photo case studies to help employers communicate the April 2016 changes, including in relation to contracting-out and National Insurance, to employees. HMRC encourages employers to download and use this information.

The Bulletin, including a link to the state pension materials, is on HMRC's website

Action point: Affected schemes will need to update administrative practices and member communications. They will also need to inform active members of the changes within 3 months of their taking effect i.e. by 6th July, 2016.

For further information, including a checklist on points to consider in relation to the abolition of DB contracting-out, please get in touch with your usual pensions contact at Slaughter and May.

X. New Ombudsman's statement on redress for non-financial injustice

The new Pensions Ombudsman, Anthony Artur, took office on 25th May, 2015.

On 15th June, 2015 he published guidance about redress for non-financial injustice (i.e. distress and inconvenience) caused by maladministration.

The Ombudsman notes that, if the non-financial injustice is not significant, no award is likely to be made.

Where the non-financial injustice is significant, he says that awards should properly reflect this, with the usual starting point being £500 or more.

In most cases, redress is likely to range from £500 to £1000. But sometimes higher awards are necessary

for example in cases of ill-health or where lifestyle choices have been affected.

Although, when assessing non-financial injustice, the Ombudsman will take into account the particular circumstances of the individual, he says he also take a wider view and asks whether a reasonable person, with those characteristics, would have reacted in the same way.

Comment: Although the courts have historically held that an award over £1,000 should be given only in "highly exceptional circumstances"[4], the Ombudsman has, over recent years, been making higher awards. Examples, both in 2011, are the £5,000 awarded to Mr Lambden (who took early retirement and moved to New Zealand on a mistaken expectation of his pension benefits), and the £4,000 awarded to Miss Foster (who carried on working for 2 ½ years after reaching age 65 in the mistaken belief she would accrue additional years' pensionable service).

The factsheet is on the Ombudsman's website

[4] In Swansea City Council v Johnson [1999] 1 All ER 663

XI. Regulator's annual DB Funding Statement: Clarification

The item on this subject in Pensions Bulletin 15/10 suggested that only Regulator Codes of Practice were admissible in evidence in court proceedings. This is of course not the case: Regulator guidance, such as the Funding Statement, is also admissible. The difference is that, where it appears to the Court that a provision in a Code of Practice is relevant, the Court is **required** to take it into account when deciding the case.

Warren J's comments in the **Pilots** case on the Regulator's guidance on multi-employer schemes ("*I would be comforted … that my conclusion concurred with the view of the TPR. But I would not have no sense of anxiety were it to differ from that view*") illustrates the point. We apologise for any confusion caused.

Client Seminars

XII. Pensions Update Seminar: 17th June, 2015: Packs available

The programme for our latest Client Seminar, on 17th June, 2015, is attached. The handouts are available from Lynsey Richards in electronic or hard copy format.

Topics covered included:

- **tax update**, covering points in practice on the 6th April, 2015 changes, and a look ahead to the July 2015 Budget,
- **new DC governance requirements and restrictions on charging** that took effect on 6th April, 2015,
- a **medley session**, covering an update on auto-enrolment changes effective from 1st April, 2015 and a reminder about re-enrolment, and preparing for the abolition of DB contracting-out from 6th April, 2016, and
- **DC flexibility**, with a look back to 6th April, 2015 and points to take forward on the new signposting requirements, the options to offer at retirement, the new "safeguarding" requirement for DB to DC transfers, and pensions liberation.

XIII. Pensions Update Seminar: November 2015

Our next Pensions Update Client Seminar takes place on Wednesday 18th November, 2015. An invitation and expected programme will follow.

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This Bulletin is prepared by the Pensions and Employment Group of Slaughter and May in London.

We advise on a wide range of pension matters, acting both for corporate sponsors (UK and non-UK) and for trustees. We also advise on a wide range of both contentious and non-contentious employment matters, and generally on employee benefit matters.

Our pensions team is described in the 2015 edition of Chambers as follows:

- "*they employ professional and personable members of staff with a great depth of knowledge and practical know how*", and
- "*their ability to organise a transaction and make sure all things come into action is very, very good and they are incredibly thorough*"

Our recent work includes advising:

- Imperial Chemical Industries Limited and Akzo Nobel N.V. on the de-risking of the ICI Pension Fund by way of a circa £3.6 billion transaction. The transaction, which was announced on 26th March 2014, involved the Trustee of the ICI Pension Fund entering into bulk annuity buy-in policies with Legal & General Assurance Society Limited and Prudential Retirement Income Limited respectively in relation to in aggregate circa £3.6 billion of liabilities of the ICI Pension Fund (which comprise approximately one quarter of the Akzo Nobel pension liabilities). The Legal & General buy-in is the largest ever bulk annuity policy arranged by a pension scheme in the UK
- BBA Aviation plc on the pensions aspects of its disposal of the APPH entities and a "section 75 debt" apportionment arrangement with the trustees of its defined benefit pension scheme, the BBA Income and Protection Plan (the "IPP"), and thereafter on the structuring and implementation of an asset backed funding arrangement with the trustees of the IPP. The asset backed funding arrangement replaces a previously agreed schedule of contributions and is designed to generate an annual income stream of approximately £2.7 million for the pension scheme whilst minimising the risk of scheme over-funding in the future
- Aviva on the de-risking of the Aviva Staff Pension Scheme by way of a circa £5 billion longevity swap transaction involving insurance and re-insurance arrangements. The transaction is the largest of its type to date and allows the defined benefit scheme to re-insure the longevity risk relating to approximately 19,000 of its members (roughly a third of its total longevity risk). Aviva's in-house legal team also advised.
- Premier Foods, on a revised funding arrangement with the group's defined benefit pension schemes as part of Premier Food's refinancing plan. Revisions to the funding arrangements included reduced pension deficit contributions and the granting of additional security to the pension schemes
- Unilever Plc on the creation of an innovative pension funding vehicle under which a unit-linked life policy was established to fund centrally certain overseas unfunded retirement benefit obligations
- General Motors, on the pensions aspects of the sale of Millbrook Proving Ground Limited (the test and engineering technology centre). The sale was dependent on structuring a pensions reorganisation so that the Millbrook Pension Plan and all pension liabilities were retained in the General Motors group
- ConocoPhillips, on complying with its auto-enrolment duties, including analysing how different categories of employees would be provided with pension benefits in compliance with those duties and setting up a new DC pension plan and a new registered life cover pension plan
- Royal Mail on a benefit change exercise which enabled Royal Mail to use some of the c£2bn of assets remaining in the Royal Mail Pension Plan following the 2012 transfer of its pension liabilities to HM Government to fund a £300 million a year gap which would otherwise have opened up between the pension contributions which it could afford and the amount which was required to keep the Plan open for the future accrual of benefits. We had previously advised on the 2012 transfer of approximately £30 billion of Royal Mail's historic pension liabilities to HM Government
- The Trustee of the General Motors UK Retirees Pension Plan, on the surrender in October, 2012 of 2 insurance policies and the purchase of a bulk purchase annuity policy with Rothesay Life. The transaction covered all or substantially all of the Plan's benefit obligations and had an aggregate value of approximately £230 million

If you would like to find out more about our Pensions and Employment Group or require advice on a pensions, employment or employee benefits matters, please contact **Jonathan Fenn** jonathan.fenn@slaughterandmay.com or your usual Slaughter and May adviser.

London
T +44 (0)20 7600 1200
F +44 (0)20 7090 5000

Brussels
T +32 (0)2 737 94 00
F +32 (0)2 737 94 01

Hong Kong
T +852 2521 0551
F +852 2845 2125

Beijing
T +86 10 5965 0600
F +86 10 5965 0650