SLAUGHTER AND MAY

11 JUNE 2015
ISSUE 10

Pensions and Employment: Pensions Bulletin

Legal and regulatory developments in pensions

In this issue

The Watch List ...more

NEW LAW

Collective DC schemes: Where are we now? ...more

TAX

HMRC "downgrades" its QROPS list ...more

NEWS FROM THE REGULATOR

Changes to DC scheme return for 2015 ...more

Pensions Regulator's 2015 analysis of recovery plans ...more

Regulator's annual DB Scheme Funding Statement 2015 ...more

PPF UPDATE

PPF Ombudsman determinations highlight importance of exact compliance with levy rules ...more

Revised actuarial factors ...more

Guidance on insolvency practitioner remuneration ...more

Levy FAQs: Experian insolvency scores/ mortgage age ...more

CASES SUPPLEMENT

Implied duty of good faith: High Court decision in Bradbury ...more

IBM: Early retirement policy ...more

No requirement for shareholder approval for top-up scheme: Granada v Law Debenture ...more

Government Actuary's Department's failure to review commutation factors was maladministration: Ombudsman's determination in relation to Mr. Milne ...more

To access our Employment/Employee Benefits Bulletin click here.

Contents include:

- Teleconference replay: Collective redundancies – where are we now?
- TUPE: subcontracted services – who is the "client"?
- Payment to settle discrimination claim was not taxable as earnings
- Dress code prohibiting "trip hazard" was not indirect discrimination against Muslim women
- FCA letter on malus expectations
- High Pay Centre calls for abolition of LTIPs
- Trends from the 2015 reporting and AGM season – remuneration aspects

Back issues can be accessed by clicking here. To search them by keyword, click on the search button to the left.

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

For details of our work in the pensions and employment field click here.

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.

To unsubscribe click here.

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	Pensions Bulletin 15/09
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 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

New Law

II. Collective DC schemes: Where are we now?

Philip Bennett and Sandy Maudgil, partners in our Pensions Group, have been active in looking at a number of the legal issues in respect of collective DC schemes over the last year and a half.

The Pension Schemes Act 2015 provides legislative framework for such schemes. Since the legislation received Royal Assent, though, we have had a General Election in which the-then Pensions Minister lost his seat and Dr. Ros Altmann was appointed in his place. We have been looking at Dr. Altmann's published statements on collective DC schemes, since the

change of Minister provides an impetus to press for the legislation to be brought into force. A note summarising these statements is here.

A short update on where we are now, linking to a recent paper by Philip Bennett on collective DC schemes and the CDC area on Slaughter and May's website, is here.

Tax

III. HMRC "downgrades" its QROPS list

HMRC has renamed its list of overseas pension schemes that have notified HMRC they meet the conditions to be a Recognised Overseas Pension Scheme ("**ROPS**"). It will in future be a list of "ROPS" rather than "QROPS".

HMRC has also amended the preamble at the top of the list to make it clear that being on the list is no guarantee that a scheme is a ROPS.

Previously, HMRC had said it was prepared to accept that a transfer to an overseas scheme had been made in good faith if the transferring scheme retained evidence that the receiving scheme was on the QROPS list no later than the day before the transfer.

Following the renaming of the list, HMRC has written to all ROPS scheme administrators requiring confirmation that the scheme is still a ROPS after 6th April, 2015. The "information notice" seeking confirmation includes a question which asks how the scheme meets the "pension age" test (i.e. that pension/lump sum benefits are not payable before 55 unless an ill health condition is met). This requirement was added by regulations[1] that took effect on 6th April, 2015. Replies are required by 17th June, 2015. HMRC says if no reply is received the scheme will cease to be a ROPS.

Comment: Transfers to ROPS are high risk for registered pension schemes. Our view has always been that a registered scheme which is asked to make a ROPS transfer should make additional checks over and above checking the HMRC list.

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.

[1] The Overseas Pension Schemes (Miscellaneous Amendments) Regulations 2015 (S.I. 2015/673).

Cases

IV. Pension cases supplement

May was a busy month for Court and Ombudsman decisions relating to pensions. Some of these, including:

- Warren J.'s decision on whether the BBC breached the implied term of good faith when capping increases to pensionable salary in **Bradbury v BBC**,
- Warren J.'s decision on whether **IBM** had effected a change to its early retirement policy in the light of the earlier IBM litigation,
- the High Court's decision on whether shareholder approval was needed for **Granada's** secured top-up pension scheme, and
- the Ombudsman's decision that the GAD's failure to review commutation factors in the **Firefighters' Pension Scheme** was maladministration: this is relevant where scheme rules provide for commutation factors to be determined by the actuary from time to time (and more generally)

are covered in a separate supplement accompanying this Bulletin.

News from the Regulator

V. Changes to DC scheme return for 2015

On 7th June, 2015, the Pensions Regulator published a checklist of the new information that DC schemes will need to have in order to complete their scheme return for 2015, alongside a sample scheme return.

The additions are largely a consequence of the coming into force on 6th April, 2015 of new governance requirements and a charge cap for DC schemes (Pensions Bulletin 15/03) and comprise:

- a new section (**9**) on the charge cap, seeking confirmation that the scheme has complied with the cap. The cap applies only to default funds in auto-enrolment qualifying schemes. The Regulator notes that trustees who confirm that their scheme is not a qualifying scheme are not then required to give the charge cap confirmation

  Comment: Like the legislation itself, this part of the DC scheme return is complicated; unless you are clear that your scheme is not a "qualifying scheme" you should consider your responses carefully, and

- the identity of the chair of trustees. The chair must be appointed by 6th July, 2015.

The checklist of new information is on the Regulator's website

Comment: The annual governance statement which confirms that the new governance requirements have been complied with must be prepared within 7 months of the end of the first scheme year ending after 5th April, 2015. Failure to comply will result in the automatic issue by the Pensions Regulator of a penalty notice, with a minimum penalty of £500.

Our client briefing, looking in detail at the new charging and governance requirements and including action points, is available to clients on request.

VI. Pensions Regulator's 2015 analysis of recovery plans

On 12th May, 2015, the Pensions Regulator published an update to its annual report on the funding of UK DB schemes which are in deficit on a technical provisions basis.

The report is based on recovery plans submitted by schemes to the Regulator with effective valuation dates falling on and between 22nd September, 2012 to 21st September, 2013 ("**tranche 8 schemes**"). Due dates for completion of the recovery plans fell between December 2013 to December 2014.

By January 2015, the Regulator had received over 1800 valuations with an effective valuation date for tranche 8. 83% of these had previously submitted valuations in respect of tranche 5 and tranche 2.

Key figures are:

- the average ratio of assets to technical provisions is 82.5%, the same as for tranche 5, although funding levels on the Section 179 and buyout bases decreased from 96.4% to 84.7%, and from 61.1% to 58.7%, respectively,
- the average nominal single effective discount rate is 4.09% with 50% of assumptions falling on or between 3.75% and 4.5%,
- the average life expectancy of a future male pensioner currently aged 45 is 90.1 years, and
- the average recovery plan length for all schemes in deficit is 8.5 years, up from 8.4 years for tranche 5.

VII. Regulator's annual DB Scheme Funding Statement 2015

A. Overview

1. The Regulator published its 4th annual Funding Statement for DB schemes on 22nd May, 2015.

It is primarily aimed at schemes undertaking valuations with effective dates in the period 22nd September, 2014 to 21st September, 2015.

2. The Statement sets out the Regulator's views on how the key principles in its Code of Practice on funding DB benefits (the "**DB Code**") can be applied in current market conditions.

   Note: Unlike the DB Code, the Funding Statement is not admissible in evidence in legal proceedings. And the requirement that, where any provision in the Code appears to a court to be relevant to any question arising in proceedings, the court must take it into account when deciding that question, does not apply to it.

3. The Statement also explains how the Regulator will be approaching its review of valuations and recovery plans submitted to it in the coming year, and comments on recent developments in relation to post-valuation experience and DB to DC transfers.

B. Key points

1. The Regulator's analysis suggests that, despite all major asset classes having performed well and schemes having paid £44bn in deficit repair contributions over the last 3 years, many schemes with 2015 valuations will have larger funding deficits due to the impact of falling interest rates and schemes not being fully hedged against that risk.

2. Those schemes which are relatively unhedged against **interest rates and inflation** should be aware of the degree of risk exposure that remains unhedged. Decisions regarding a scheme's level of hedging should be informed, among other factors, by the trustee's consideration of the potential impact of future changes in interest rates and inflation, either up or down, on the scheme in the context of the employer's risk tolerance and its ability to support downsizing events.

   Comment: Schemes should consider, with the benefit of investment advice, whether a prudent person would be buying bonds in current market conditions, particularly given the effect on UK and EU bond markets of the quantitative easing programmes introduced by the Bank of England and European Central Bank on bond prices and yields.

3. So far as **investment returns** are concerned, the Regulator notes the importance of trustees carefully considering the potential impact on their scheme of different scenarios for investment returns, including those where returns are higher or lower than expected. The Regulator anticipates that most schemes will set funding strategies based on lower expected investment returns than at their last valuation.

4. Trustees who, at their last valuation, allowed for gilt yields reverting to a higher level, should consider the effect that their assumption having not being borne out has had on the scheme's funding. This may, for instance, mean seeking additional deficit repair contributions or new contingent security.

5. So far as **recovery plans** are concerned, when considering an appropriate recovery plan period, trustees should be mindful that longer plans can result in an increase in scheme risks as the certainty with which the employer's covenant and expected investment returns can be relied upon reduces over time.

6. Where the **employer's ability to pay contributions** is constrained, trustees should undertake a higher level of due diligence on the employer's affordability (including any sustainable growth plans) and, in particular, should try to understand why previous levels of contributions cannot be maintained if the deficit does increase. Trustees should seek to manage the risk, for example, by imposing additional security for the scheme, securing contributions from alternative sources, or structuring the recovery plan differently.

7. If investment in an employer's business is prioritised at the expense of pension contributions, it is important that this investment is being used to improve the employer's covenant. Trustees should seek to understand what the employer is looking to achieve, how its plans will benefit covenant and how growth will fund increased contributions to the scheme where necessary. The scheme should be treated fairly and the other stakeholders of the employer should likewise adequately support its growth plans.

8. So far as **DB to DC transfer values** are concerned, the Regulator notes that a significant number of member transfers may materially affect the funding level of the DB scheme and the timing of the scheme's cash flows, and therefore its investment and funding strategies. The trustees of DB schemes should seek appropriate advice on the implication of changes to the incidence of members taking transfers on their funding assumptions and their scheme's long-term membership trends.

9. The Regulator says it is to continue with its approach of selecting a number of schemes for pro-active engagement ahead of their valuations being submitted. It has already contacted all the Tranche 10 schemes selected for proactive engagement.

10. The Regulator says it is planning to publish, in the coming months, additional practical guidance on an integrated approach to managing risk, covenant assessment, and setting an investment strategy to complement the DB Code.

    The Funding Statement is on the Regulator's website.

PPF Update

VIII. PPF Ombudsman determinations highlight importance of exact compliance with levy rules

A. Overview

1. Two determinations by the PPF Ombudsman on 7th May, 2015 highlight the necessity of complying to the letter with the PPF's levy rules in order for levy reduction arrangements to be effective.

2. The first concerns an attempted re-certification of a contingent asset without the necessary legal opinion, and the second the PPF's decision not to pro-rate the levy for a mirror image scheme in the year in which the transfer was made.

   Action point: Ensure that the PPF levy requirements, as set out in the PPF's annual determination and supporting documents, are properly complied with. In the vast majority of cases brought to the Ombudsman, he has found in favour of the PPF Board. The courts found in favour of the PPF in all 4 of the Ombudsman determinations that have been appealed,

B. Failure to submit legal opinion with re-certified contingent asset: PPF Ombudsman's determination in relation to the Action for Children Pension Fund

1. The PPF Ombudsman refused an application by the trustee of the Action for Children Pension Fund for the PPF to review its refusal to recognise a contingent asset which the trustee had attempted to recertify for the 2012/13 levy year.

2. In March 2011, the trustee had agreed a Type B(ii) contingent asset, made up of 28 properties worth over £39m, with the scheme's sponsoring employer. The trustee's legal adviser provided the required legal opinion on 28th March, 2011 and the contingent asset was accepted by the PPF for the purposes of the 2011/12 PPF levy.

3. The security arrangement was amended on two occasions subsequently, by means of substitutions of properties. Both amendments were notified to the PPF, with revised legal opinions also being provided.

4. The contingent asset was recertified for 2012/13, but with no legal opinion. The PPF refused to recognise the contingent asset on the basis that the scheme had not properly satisfied the recertification requirements. The PPF also noted that the earlier legal opinions (which it had accepted) had contained qualifications inconsistent with the confirmations given in the contingent asset certificate, in particular they pre-dated registration of the charge.

5. The trustee referred the PPF's refusal to the PPF Ombudsman on the basis that the PPF's decision had failed to take account of the fact that, had the subsequent property substitutions not taken place, the PPF would have been obliged to accept the existing security arrangement for the 2012/13 levy year.

6. The Ombudsman noted that the scheme's application for recertification of an existing contingent asset meant that the various requirements for certification still applied. In particular, the security needed to have been properly registered at the point the certificate was given and the confirmations in the agreement needed to be based on a legal opinion.

7. A new legal opinion did not have to be obtained, but, if one had, it should be submitted to the PPF. But none of the legal opinions supplied in this case could support the declarations made on the status of the charge in favour of the scheme as they all pre-dated registration of the second supplemental security arrangement. The PPF could not use its discretion to accept a contingent asset where the requirements of its rules had not been met.

Comment: This determination echoes that of the PPF's Ombudsman in relation to the Brickbusiness Pension Scheme in 2009. The Ombudsman upheld the PPF's decision not to recognise a Type A guarantee on the basis the legal opinion supporting it did not track the PPF's contingent asset guidance word for word.

C. Risk-based levy for mirror image scheme in year of transfer

1. The PPF Ombudsman rejected a referral made by the trustee of the Northern Ireland Water Limited Pension Scheme (the "**Scheme**") concerning the Scheme's risk-based levy for 2008/09.

2. The Scheme was a newly established DB scheme set up as a mirror image scheme following the reorganisation of water supply services in Northern Ireland in 2007.

3. The Scheme would have virtually no liabilities for part of the 2008/09 levy year, as a bulk transfer from the transferor scheme was not expected until October 2008. The trustee's actuarial advisers sought assurances from the PPF in correspondence that no action would be taken if the scheme postponed filing a section 179 valuation until the bulk transfer had been received. They also asked if the PPF would apply a pro-rated levy reflecting only the period after the bulk transfer.

4. While the actuaries acknowledged the scheme was technically obliged to submit a section 179 valuation by 31st March, 2008, they suggested it would be preferable if it could avoid the costs of preparing and submitting a full valuation and asked if any action would be taken if the valuation was deferred until after the bulk transfer had been received. The actuaries also noted that the PPF had discretion over the approach to take when a transfer occurred midway through a levy year and asked the PPF to confirm it would apply a pro-rated levy for the year in which the transfer payment was received.

5. The PPF replied by email on 17th March, 2008 saying the PPF "*would not be minded to take any action in this case in relation to the non-submission of the section 179 valuation*". The PPF did not directly confirm that a pro-rated levy would be applied but said "*the Board does have some discretion to charge a nil levy for some new*

schemes…whilst we cannot fetter our discretion in advance, I understand that it is likely that this discretion would be exercised in this case for 08/09".

6. Notwithstanding this email, in April 2012 the PPF Board invoiced the scheme for a risk-based levy of £75,000 for 2008/09. The trustee challenged the invoice.

7. The Ombudsman held that the PPF's email did not amount to a clear and unambiguous representation that the PPF would charge a nil levy. The PPF was responding to the actuaries' specific queries about the correct approach to the levy calculation. The actuaries had not specifically asked the PPF if it would exercise its discretion to charge a nil levy for the 2008/09 levy year as a whole.

8. The Ombudsman also rejected the trustees' secondary argument that the PPF Board had no power to issue invoices for a levy year after the end of the year in question. The PPF had no obligation to issue invoices by a particular deadline. The Ombudsman's jurisdiction did not encompass matters of fairness.

Comment: These determinations illustrate yet again how strictly the rules in the PPF's levy determination are applied, even where this seems to produce an unfair result.

IX. Revised actuarial factors

On 27th March, 2015, the PPF published revised actuarial factors that took effect on 1st April, 2015.

The new factors are for:

- the PPF compensation cap.

  Note: The compensation cap varies with the scheme member's normal pension age for PPF purposes, calculated by reference to a published table of compensation cap factors. The level of the cap at age 65 for 2015/2016 is £36,401.19. Applying the 90% limit to that cap provides a member with a PPF normal pension age of 65 who entered the PPF before age 65, a maximum level of PPF compensation at age 65 of £32,761.07,

- commutation of pension,
- early retirement,
- late retirement, and
- the pension equivalent of the lump sum.

The factors are available in the technical guidance section of the PPF website and reflect the increase in the general level of earnings since the previous tax year.

The new factors should be used for calculations of PPF compensation, Section 143 and Section 179 valuations with effective dates from 1st April, 2015.

X. Guidance on insolvency practitioner remuneration

On 18th May, 2015, the PPF published a guidance note explaining its approach to payments made to insolvency office holders.

In fact the note goes beyond the question of fees and covers the PPF's role as a secured creditor.

The PPF notes that, although in an assessment period security remains under the control of the trustees of a scheme, the trustees should act in accordance with their discussions with the PPF's restructuring and insolvency team.

So far as pre-packs are concerned, according to the PPF, any failure by an insolvency practitioner to involve the restructuring and insolvency team in early consideration of a pre-pack which results in the scheme entering a PPF assessment period risks

being removed by way of the PPF's nomination of alternative liquidators.

The PPF says it will also exercise the scheme's other creditor rights if it considers it necessary and appropriate.

Comment: As a potential major creditor, the PPF obviously has an interest in the insolvency, but the insolvency practitioner owes no specific duty to treat the PPF any differently from any other large unsecured creditor.

The guidance note is here.

XI. Levy FAQs: Experian insolvency scores/ mortgage age

Six new answers to FAQs were published on the PPF website on 21st May, 2015. They relate to:

- whether mortgage exclusion certificates need to be resubmitted if 2016/17 monthly scores are to benefit from them. The PPF notes that, to calculate indicative scores for 2016/2017, Experian is scoring employers on the basis of the 2015/16 rules. Where employers or schemes have made certifications relating to mortgages, Experian has carried these forward if there is no reason to expect they might need to be recertified. Where it is expected that recertification will be needed (for example as to whether a mortgage remains immaterial, or whether an entity remains of investment grade) Experian has not carried the certificates forward,
- how to appeal an Experian insolvency score and the deadlines for doing this, and
- the question of formal levy reviews, noting that formal reviews can only be instigated once an invoice has been issued. However, the PPF has put in place an informal review process that can be used immediately after an Experian appeal. Where the PPF considers that the insolvency score should have been altered, it will do so immediately. The PPF "positively encourages" schemes to make an informal query rather than wait for their invoice.

The answers to FAQs are here.

529510108

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

Published to provide general information and not as legal advice. © Slaughter and May, 2015.
For further information, please speak to your usual Slaughter and May contact.

www.slaughterandmay.com