

# Pensions and Employment: Pensions Bulletin

Legal and regulatory developments in pensions

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## Forthcoming Events

### 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	<a href="#">Pensions Bulletin 14/12</a>
2.	Cap on charges in default fund for auto-enrolment qualifying scheme	6th April, 2015	<a href="#">Pensions Bulletin 14/16</a>
3.	New governance requirements for all occupational DC schemes	6th April, 2015	<a href="#">Pensions Bulletin 14/16</a>

4.	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	<a href="#">Pensions Bulletin 14/14</a>
5.	VAT recovery changes	31st December, 2015	<a href="#">Pensions Bulletin 14/18</a>
6.	Abolition of DB contracting-out: managing additional costs	6th April, 2016	<a href="#">Pensions Bulletin 14/11</a>
7.	Abolition of DB contracting-out: practicalities	6th April, 2016	<a href="#">Pensions Bulletin 14/08</a>
8.	Automatic transfers of DC pots of less than £10,000	1st October, 2016	<a href="#">Pensions Bulletin 14/19</a>
9.	Registration for Individual Protection 2014	Before 6th April, 2017	<a href="#">Pensions Bulletin 14/12</a>
10.	Proposed ban on corporate directors	Not yet known but exception proposed for corporate trustees	<a href="#">Pensions Bulletin 14/18</a>

## New Law

### II. Auto-enrolment Earnings' Thresholds 2015/16

On 17th December, 2014, the DWP published its response to its October 2014 consultation on proposed revisions to the automatic enrolment earnings trigger and the qualifying earnings band.

The **earnings trigger** is the level of earnings from which people are automatically enrolled. The **qualifying earnings band** sets the minimum contributions level for money purchase schemes. The Pensions Act 2008 requires these thresholds to be reviewed each year, and revised if appropriate, taking into account the prevailing rates of NICs, the PAYE personal tax allowance, basic state pension, inflation and any other factors that the Secretary of State considers appropriate.

Following the consultation, the Government has decided:

- to freeze the earnings trigger at its current rate of £10,000 (thereby breaking the link between the earnings trigger and the PAYE threshold),
- to align the qualifying earnings band lower limit with the NIC lower earnings limit for 2015/16 of £5,824, and

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- to align the qualifying earnings band upper limit with the National Insurance upper earnings limit for 2015/16 of £42,385.

The changes will take effect on 6th April, 2015.

The consultation response is on the [GOV.UK](#) website

## Tax

### III. Taxation of Pensions Act 2014: Update

#### A. Royal Assent

- The Taxation of Pensions Act (the “**Act**”) received Royal Assent on 17<sup>th</sup> December, 2014.
- The Act (largely unchanged from the Bill referred to in our November, 2014 overview on the pension reforms):
  - provides for DC pension flexibility,
  - restricts the annual allowance to £10,000 for money purchase inputs for those who have accessed DC savings (“**the money purchase annual allowance**”),
  - imposes reporting requirements on schemes and members where a member has flexibly accessed his benefits, and

- introduces a new tax regime for death benefits.

#### B. Consequential amending regulations published for consultation

- On 19th December, 2014, HMRC published 3 sets of draft regulations making consequential changes to existing secondary pensions tax legislation to reflect DC flexibility.
- The Registered Pension Schemes (Provision of Information) (Amendment) Regulations 2015** amend the Registered Pension Scheme (Provision of Information) Regulations 2006 to:
  - introduce new requirements on scheme administrators to provide information to a deceased member’s personal representatives (“**PRs**”) where there is a payment of death benefits that is tested against the lifetime allowance, and to require PRs to provide that information to HMRC where a lifetime allowance charge is triggered,
  - impose a new obligation on scheme administrators, where funds are being transferred that represent a drawdown fund, to provide certain information to the receiving scheme administrator, and

- add to the list of matters to be include in a scheme’s annual event report to HMRC

- The Overseas Pension Schemes (Miscellaneous Amendments) Regulations 2015** make amendments to the requirements an overseas pension scheme must satisfy in order to qualify for UK tax relief or to count as a Qualifying Recognised Overseas Pension Scheme (“**QROPS**”).

In particular the regulations:

- abolish the requirement that, to qualify for UK tax relief, an overseas pension scheme must contain a rule that, when members draw their benefits, at least 70% of UK tax-relieved funds are used to provide an income for life for the member,
- provide that a scheme established outside the EEA that is not regulated as an occupational pension scheme by a body in its home country must be operated by a regulated pension provider,
- require that pension benefits transferred to a QROPS (insofar as they relate to funds that have received UK tax relief) must be payable no earlier than normal minimum pension age, and

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- introduce information requirements on the scheme manager of a QROPS or former QROPS where a member first flexibly accesses his pension rights, broadly corresponding to the requirements that apply to UK registered pension schemes (see above).
4. **The Registered Pension Schemes (Transfer of Sums and Assets) (Amendment) Regulations 2015** provide that an annuity contract entered into **on or after** 6th April, 2015 following the transfer of sums or assets from an annuity acquired **before** 6th April, 2015 will be treated as authorised for tax purposes only if the transfer is made on a like-for-like basis. This reflects the policy intention that the new flexibilities will not apply to annuities issued before 6th April, 2015.

The draft regulations, on which comments are invited by 16<sup>th</sup> January, 2015, are on [HMRC's website](#)

#### C. *Comment*

1. The draft regulations referred to above are the only regulations we are expecting to be made under the Taxation of Pensions Act 2014 as the detail is contained in the Act itself.
2. The same is not true for the legislation implementing the DWP aspects of the DC

flexibility reforms. The primary legislation, the Pension Schemes Bill 2015, is primarily a series of regulation-making powers, with the detail to be set out in regulations. Notwithstanding that these need to be laid before Parliament by the end of February in order for the legislative process to be completed by 6<sup>th</sup> April, 2015, drafts have yet to appear.

3. Our November, 2014 overview of the 6<sup>th</sup> April, 2015 pensions reforms accompanies this Bulletin.

#### IV. **HMRC's Pensions Newsletter 66**

##### A. *Overview*

1. This was published on 17<sup>th</sup> December, 2014. It mainly concerns the collection of tax on pension payments in the post 5<sup>th</sup> April, 2015 world of DC flexibility.

##### B. *Collection of tax on pension payments*

1. The Newsletter confirms that, following the introduction of DC flexibility on 6th April, 2015, pension payments will be taxed as pension income, and normal PAYE rules will apply, regardless of the form in which pension payments are taken. Where the fund is not extinguished with the first payment, it will be treated as an ongoing PAYE source.

2. If the scheme administrator already makes payments to a member and has a tax code for those payments, the tax code should only be used for additional payments if the payments are being made at the same time. In all other circumstances, the scheme administrator should use the emergency tax code on a Month 1 basis against the first payment. HMRC will then issue a tax code to operate against future payments.

**Note:** The emergency tax code requires tax to be deducted on all income (at standard rates) above the basic personal allowance (£10,000 for 2014/2015).

3. Where the fund is extinguished, the scheme administrator must issue a P45 enabling the member to claim any tax refund that might be due. The Newsletter contains case studies showing how the rules will work.
4. Scheme administrators who have no existing PAYE scheme will need to set one up. Information must be provided under the HMRC's real time information ("RTI") procedures.
5. The tax treatment of trivial commutation payments from DB schemes, and of small pots lump sums from DB and DC schemes, will continue unchanged.

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6. HMRC says more detailed guidance will be published later this year.

*C. Other points: (1) annual allowance pension statements and (2) QROPS*

1. The Newsletter reminds pension providers that they should have issued annual allowance pension statements for the 2013/2014 tax year to all members whose aggregate pension inputs under a registered pension scheme exceed £50,000 where the member is:

- an active member or,
- in the case of a cash balance or DB arrangement, a deferred member but does not fall within the deferred member carve out.

The deadline for doing this was 6<sup>th</sup> October, 2014.

2. It also notes that the start of the QROPS re-notification process is being delayed until 6<sup>th</sup> April, 2016 to allow QROPS managers to be clear on what information they need to provide to HMRC to qualify as a QROPS.

3. Legislation was introduced in 2013, intended to take effect on 30<sup>th</sup> April, 2015, requiring scheme managers to renotify HMRC of their QROPS status every 5 years.

HMRC Newsletter 66 is on [HMRC's website](#)

**Cases**

**V. Recovery of overpayment: Change of position defence: Webber v DfE**

**A. Overview**

1. On 19<sup>th</sup> December, 2014, the High Court (Nugee J) dismissed a member's appeal against the Ombudsman's determination that the administrators of the Teachers' Pension Scheme could recover overpaid pension following the member's re-employment as a teacher.
2. Nugee J rejected the member's "change of position defence". But he disagreed with the Ombudsman's finding that the administrator could not have identified the error itself. As a consequence, he held that recovery should be limited to the 6 years prior to the claim being brought. He also said the Ombudsman should not have rejected the member's claim that he would not have got married without the extra income from the overpaid pension. *"The idea that financial considerations of that sort never play a part in a decision to marry would come as a surprise to any reader of Trollope"*.

3. The decision is the latest instalment in a long-running saga, where the member's original complaint was dismissed by the Deputy Ombudsman, the member appealed to the High Court, the High Court ordered the Deputy Ombudsman to retake her decision, she did so, again dismissing the member's complaint, and he appealed again to the High Court. The member was a litigant in person.

**B. Facts**

1. The member, W, applied for and was granted early retirement from the Teachers' Pension Scheme on 1<sup>st</sup> April, 1997 when he had reached aged 50. The application form stated *"subsequent teaching employment may result in a reduction or suspension of your pension"* and contained a declaration that *"I will inform the [administrator] if I become employed in education at any time during my retirement."*
2. A leaflet given to W on his retirement explained that his pension may be reduced if he returned to employment and that he would need to inform the administrator on a "certificate of re-employment" about any changes in his employment circumstances.

3. W was subsequently offered a full-time teaching post. Before accepting it, he rang the scheme administrator and was told his pension would not be affected at the level of salary he was being paid. W was then sent another version of the booklet, and completed the relevant forms to inform the administrator of his employment. But he did not inform the administrator of subsequent pay rises that took him above the threshold for having his pension reduced.
4. W married on 7th December, 2002. In 2009 he received a letter from the scheme administrator informing him that his earnings and pension had exceeded his reference salary for each tax year from 2002/3 to 2008/9 so his pension should have been reduced. The overpayments amounted to £36,282.53.
5. W claimed he had undertaken expenditure based on the overpayment, in particular that he had travelled to the Ukraine to meet his future wife. He said he would have not felt himself in a position to marry without the extra income. He had moved house and taken on a larger mortgage.
6. W complained to the Ombudsman. The Deputy Ombudsman issued a Determination on 26th June, 2012 rejecting the complaint because W ought reasonably to have been aware he was required to complete a certificate of re-

employment in each tax year if he received an increase in salary. She rejected W's change of position defence.

7. W appealed to the High Court. Asplin J allowed the appeal and submitted the complaint to the Deputy Ombudsman for reconsideration on the basis that:
  - the Determination had contained insufficient reasoning to support the Deputy Ombudsman's conclusions in relation to expenditure, and
  - in relation to her conclusion that W "ought to have been aware" that he was being overpaid, if this was merely a reference to negligence that was insufficient to defeat a change of position defence. There should at least have been some degree of "sharp practice" to defeat the defence.
8. The Deputy Ombudsman reconsidered W's case and issued a second Determination on 24th January, 2014, again dismissing W's claim, in particular rejecting his change of position defence on the basis he had "turned a blind eye" to the possibility he was being overpaid.
9. W again appealed to the High Court.

C. *Decision*

1. Nugee J upheld the Ombudsman's findings of fact, including that W knew there was a possibility of an overpayment but did nothing about it in the hope that it would go unnoticed. Based on that conclusion, it followed that the Ombudsman's conclusion that W "turned a blind eye" could not be faulted either. If W did appreciate there was a risk that he was being overpaid, his failure to contact the administrator to check the position must have been a conscious one.
2. *"If a person appreciates that the payment he is receiving may be an overpayment (or in other words that the payer may be mistaken) and can make a simple enquiry of the payer to check whether this is so, but chooses not to do so, I do not see anything wrong in the conclusion that the [change of position] defence is not open to him. He knows that there is a risk that he may not be entitled to the money, but is willing to take that risk. If it turns out that the payment was indeed an overpayment, it would be inequitable or unconscionable for such a person to deny restitution by relying on a change of position defence".*
3. But Nugee J disagreed with the Deputy Ombudsman's conclusion that the administrator could not have discovered the overpayment with reasonable diligence before it did. The administrator could easily have identified that,

unless W stopped working, he would go over the earnings limit, based on the information it had. The limitation period therefore started running as soon as the administrator started making overpayments, giving W a limitation defence for the recovery of any overpayments made more than 6 years before the relevant date (the formal bringing of the complaint by W to the Ombudsman).

**Comment (1):** This is a helpful decision for trustees in that both the Deputy Ombudsman and the High Court set a high bar for a change of position defence to succeed. It is less helpful for administrators, suggesting they should be proactive in checking that correct benefits are being paid even where the obligation to notify a change in circumstance falls squarely on the member.

**Comment (2):** For private sector schemes, the concept of pension being reduced where a pensioner member resumes employment elsewhere is not in point. But an analogy can be drawn with reduction or suspension of incapacity pension where the member recovers in full or part.

## VI. Bankruptcy: Re Henry

### A. Overview

1. A decision of the High Court on 7th December, 2014 illustrates the current confusion concerning the availability to creditors of the pension savings of an individual who goes bankrupt.
2. Currently pension income to which a member is "entitled" may be the subject of an income payments order.
3. In **Raithatha v Williamson**<sup>1</sup>, the High Court decided that "*a bankrupt has an entitlement to a payment under a pension scheme not merely where the scheme is in payment of benefit but also where, under the rules of the scheme, he would be entitled to payment merely by asking for payment*".
4. But doubt was cast on the correctness of this decision recently by the High Court. In **Re X (Application for Income Payments Order)** (unreported) the judge refused to order a member of a personal pension scheme to exercise her option to take a tax free lump sum to make it available to her creditors.

<sup>1</sup> [2012] EWHC 909 Ch

### C. Decision

1. The member, B, was aged 60. He had a SIPP and 3 personal pension policies. He was entitled to crystallise those policies but did not wish to do so.
2. The judge considered **Raithatha**. But, in his view, the word "entitled" suggested a reference to a pension in payment under which definite amounts had become contractually payable. There was no obvious wording in the legislation which would allow the Court the power to decide how a bankrupt was to exercise the different options opened to him under an uncrystallised SIPP or personal pension. **Raithatha** was not easy to reconcile with the legislative intention to remove pensions in general from a bankrupt's estate.

**Comment:** The difficulties highlighted in this decision will take on a greater significance when members are given increased flexibility in accessing DC pots. As the judge here noted, it is hoped the Court of Appeal will soon be given chance to rule on the correctness of **Raithatha**.

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## VII. Negligence action in respect of ineffective equalisation: Limitation period: Seton House Group and Britax Pensions Trust v Mercer

### A. Overview

1. On 12th December, 2014, the High Court (HHJ David Cooke) dismissed an appeal by an employer and scheme trustees (the “**Claimants**”) against a court order dismissing on limitation grounds a claim against Mercers for negligent pension advice.
2. The Claimants argued that Mercers had incorrectly advised, on a number of occasions between 1990 and early 2000, that **Barber** equalisation in the Britax Pension Scheme (the “**Scheme**”) had taken place on 1st April, 1991. The total loss claimed was £5.4m plus £750,000 being the cost of investigations and legal proceedings by the Claimants.
3. Mercers denied liability in any event but argued as a preliminary point that the negligence action was barred on grounds of limitation.

### B. Facts

1. In 2000, Britax, a participating employer in the Scheme, was sold. In the course of the sale, Ernst & Young produced a financial due diligence report including findings in relation to

the Scheme. Ernst & Young concluded, although that normal retirement age had apparently been equalised at age 65 on 1st April, 1991 and that the method of equalising appeared to comply with legislative requirements, a different and non-compliant method of equalising had been set out in communications to members. Ernst & Young recommended that legal advice was sought on this inconsistency.

2. Mercers argued that this report would have been provided to and seen by the employer, the trustee and their legal advisers, and that this would have started the 3 year limitation period for negligence actions running.
3. The starting date for reckoning a limitation period in relation to negligence actions is the earliest date on which the claimant first had both the knowledge required for bringing an action for damages and a right to bring such an action.

### C. Decision

1. The High Court decided it was not credible that the employer and trustee would not both be expected to look at the Ernst & Young report to see what issues might have been identified relevant to them in the context of the sale.

2. *“Given the importance of the transaction and the significance of the report, the conclusion that both claimants could reasonably be expected to look at its content was inevitable. It would have been slapdash not to do so... Pensions and the transfer from the pension fund were material parts of the transaction and it was inevitable that the seller, and the trustee, could reasonably be expected to review what the purchaser had disclosed in relation to its due diligence investigations.”*
3. The content of the report therefore fell within the scope of the constructive knowledge requirement. It would then be reasonable to expect that one or other of the Claimants would take legal advice.

**Comment:** The validity of post-**Barber** equalisation amendments has proved fertile ground for litigation. This decision highlights the importance to employers of following up all DB pensions issues raised in due diligence reports, particularly in relation to equalisation amendments.

## VIII. Pensions Liberation: Ombudsman's Determination in relation to Mr X

### A. Overview

1. On 15th December, 2014, the Pensions Ombudsman issued his first determination in relation to a complaint about trustees refusing



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to provide a CETV. The case concerns a transfer **into** a pension liberation vehicle, and a failure by that vehicle to provide a CETV and so may be of limited relevance to trustees wary of effecting a transfer **to** a pension liberation vehicle.

2. The Ombudsman apparently plans to publish a group of cases concerning transfers to suspected liberation schemes, where the transfers were blocked by the scheme trustee, in the week beginning 5th January, 2015.
3. In this case (PO-3590), the Ombudsman upheld the member's complaint. The member had previously transferred his benefits from the NHS Pension Scheme to the Capital Oak Pension Scheme (the "**CO Scheme**"). The member's request to transfer out of this scheme was ignored by the scheme trustee.
4. The Ombudsman held that the trustee's failure to respond to the member's initial request to transfer out, as well as to numerous chasing letters and calls, amounted to maladministration. If the trustee had not ignored the member's initial request, the member would have made a formal request to take a CETV, which should have been concluded by 30th September, 2013.
5. The Ombudsman directed the trustee to pay the member's chosen scheme the higher of either the

CETV backdated to 30th September, 2013 with interest, or the current CETV.

#### B. *Facts*

1. X was employed by the NHS and was an active member of the NHS Pension Scheme. In 2012 (on the advice of his IFA) he transferred all his NHS scheme benefits, totalling £367,601.81, to the CO Scheme.
2. The CO Scheme invested X's transfer payment in a self-storage firm offering an 8% to 12% annual return. X also received a "non repayable loan" of £17,500. A 5% initial charge was deducted from the transfer value.
3. X subsequently decided to transfer out of the CO Scheme and, on 29th July, 2013, wrote to the trustee asking it to facilitate this. Numerous chasing letters and attempted telephone calls by X and his IFA received no response.
4. X complained to the Ombudsman that the trustee had failed to act on his request to transfer out. Although the trustee did not respond, accountants who said they had been appointed by the sole director of the trustee, submitted that "*£9.8m had been invested in storage pods and that, as this amounted to the whole scheme assets, it was impossible for any transfer to be made.*"

#### C. *Determination*

1. The Ombudsman upheld X's complaint, noting that, although there was "little doubt" that X's transfer from the generous NHS scheme was "against his best interests", the complaint did not cover that transfer but rather X's later attempts to transfer out of the CO Scheme.
2. Although neither X nor the Ombudsman had seen the CO Scheme's governing documents and in particular whether there was a free standing right to transfer out or whether there was an element of discretion, X could not be deprived of his statutory right to a CETV so long as his request met the statutory requirements. The requirement that the CO Scheme be an "occupational pension scheme" of which X was a "member" was met by virtue of information provided by the trustee to X. Although X's request did not satisfy precisely the statutory requirements, the trustee's failure to respond, which was maladministration, had halted a process that would otherwise have resulted in a complete transfer request. The specified statutory 6 month time limit also applied.
3. The Ombudsman directed the trustee to transfer to X's chosen scheme the higher of either the CETV backdated to 30th September, 2013 with simple interest or the current CETV. But the Ombudsman noted "*I make that direction without any great confidence that it will be complied with*

*immediately. If the trustee does not comply, X may attempt to enforce the direction through the Courts, but sadly, even if the trustee responds, he may find that some or all of the money is no longer there".*

## Points in Practice

### IX. Abolition of DB contracting-out: HMRC's Countdown Bulletin 4

This was published on 17th December, 2014.

HMRC continues to encourage use of its scheme reconciliation service and highlights the potential consequences for schemes that do not reconcile their records ahead of the abolition of DB contracting-out on 5th April, 2016.

The Bulletin sets out the scheme reconciliation process. HMRC confirms that schemes have until 5th April, 2016 to request to use the service and that queries will be dealt with until December 2018.

HMRC confirms that, with the introduction of the new state pension on 6th April, 2016, it will no longer issue statements to individuals and schemes on GMPs.

The number of schemes so far registering an interest in the scheme reconciliation service is 2,037. To date HMRC has identified a variance of 30% in members compared with membership numbers provided by schemes.

The Bulletin is on [HMRC's website](#)

**Action Point:** Schemes that have not already registered to use the scheme reconciliation service should put in a request. Although use of the service is not compulsory, it is the responsibility of administrators and trustees to make sure records are accurate.

### X. Client Seminars 2015: Save the dates

Out Pensions Update client seminars will take place on the following dates in 2015:

Wednesday 11th February, 2015,

Wednesday 17th June, 2015; and

Wednesday 18th November, 2015.

An invitation to the first seminar accompanies this Bulletin.

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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 employments 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](mailto:jonathan.fenn@slaughterandmay.com) or your usual Slaughter and May adviser.

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