

CASE STUDY

Working together to complete a complex wind-up



We're proud to have supported the trustees of the John Swire & Sons Pension Plan in winding up the FPF Section. The trustees met their long-held objectives of securing members' pensions while avoiding reliance on the company. The complex, multi-stage project required close co-ordination between the trustees, insurer and advisers. We delivered results at every step by working as one team, focused on clear decisions, disciplined execution and member outcomes.

A strong start

The trustees completed a full section buy-in with Legal & General (L&G) in 2020, securing benefits and setting a clear course to wind-up. The next big challenge was GMP equalisation. As an early implementation of equalisation with an insurer, we worked hand-in-hand with L&G to align our conversion approach with the insurer's requirements, turning uncertainty into a deliverable plan.

Tying up loose ends

Most schemes face complexities that require careful thought and planning to settle ahead of winding up. This scheme had several including additional voluntary contributions (AVCs), historic annuities and, unusually, company-funded benefits. Each element needed to be integrated into the plan.

Company-funded benefits were transferred to be administered by the company going forward. The solution required problem solving and pragmatism to ensure these unusual benefits could continue post wind up. As administration and payroll transitioned to L&G, we worked with the trustees and the company to separate these services. We supported the company to set up a new payroll, including private medical cover and other arrangements, and to explain the move from one payment to two, so affected members knew exactly what would change and why.

AVCs were held across four providers, including a 'with profits' element for a small proportion of members. We helped the trustees to transfer these to L&G's WorkSave Pension Mastertrust. Members could still use their AVCs towards retirement lump sums and have flexible retirement options. We worked closely with L&G for a smooth transfer and to keep members informed throughout.

Historic annuity policies were split across two providers. They were discharged to members, with amendments where needed for GMP equalisation. We worked with each provider to agree an acceptable benefit structure, and then to calculate and implement revised benefits. We helped the scheme communicate the changes to members, many of whom were older and potentially vulnerable.



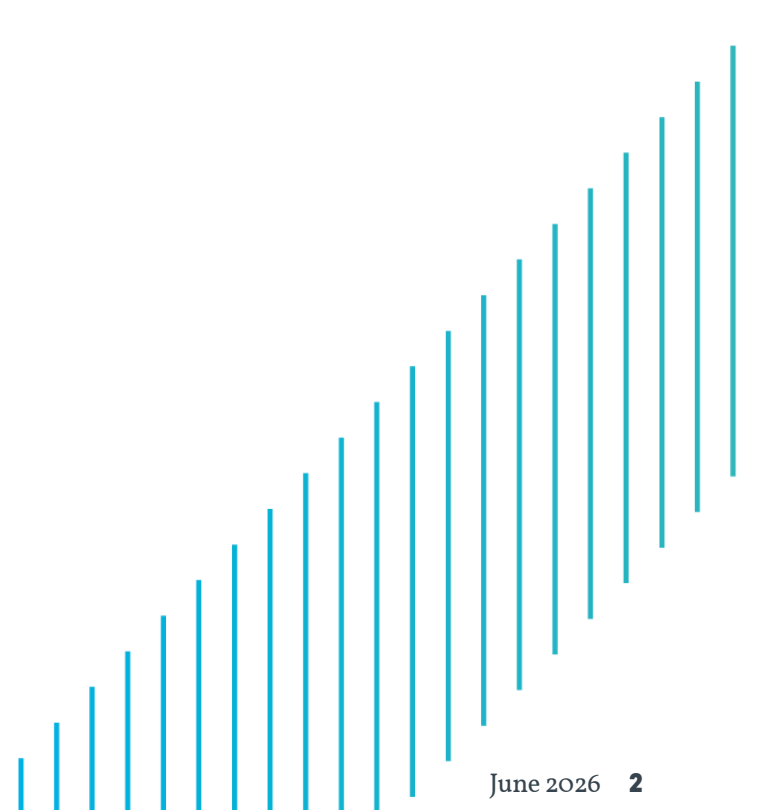
Surplus: sharing success

Through an innovative initial transaction with L&G, careful expense monitoring and tackling contingencies, the trustees had confidence in a final material surplus. Part of the surplus was due to be shared with members, and the trustees developed a thoughtful distribution proposal that balanced the company's long-standing support with members' interests. We helped the trustees and company to agree the final distribution, including an allowance for past benefit reductions.

Once the amount for members was agreed, we explored options with L&G. We started early – in the data cleansing phase – and built on a strong working relationship with the insurer's implementation team. Together, we agreed a bespoke solution with L&G which ensured that the augmentation premium matched the trustees' exact budget. The result was clean execution, no costly rework and clarity over the remaining surplus share for the company.

After the surplus was paid to the company, and the associated tax payment to HMRC, we needed a practical solution for a small quarterly bank interest payment. We again worked closely with the trustees and their legal adviser. The account could be zeroed, with a final invoice being held back and issued at the final stage.

We kept members closely informed through a concise consultation, setting out the rationale, the proposed changes and what they meant in practice.



One team, one outcome

The successful wind-up of the FPF Section was the result of sustained collaboration. The trustees, the company, L&G and the advisers worked as one team. We aligned technical choices with practical delivery and kept decisions anchored to member outcomes.

“*Eloise Hallett and Hymans Robertson provided excellent support to complete the wind-up of the FPF Section of the Plan. Despite multiple complexities, Eloise and her team were proactive and pragmatic throughout, kept the trustees updated and managed the process and expectations of all parties.*”

David Morris, Managing Trustee

A collective approach led by experienced wind-up specialists let us handle complexity without losing momentum. We confidently and fairly closed out every remaining detail – from GMP conversion, benefit discharge and member engagement to surplus distribution. We're proud to have played our part in helping the trustees through a clean, well governed endgame and deliver a successful wind-up.

If you'd like to discuss how we could help your scheme, please [get in touch](#).



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