

A background image showing a group of people in a professional setting, likely a conference or meeting. A woman with long dark hair is in the foreground, looking towards the right. Behind her, an older woman with blonde hair and glasses is also looking in the same direction. They appear to be engaged in a discussion or presentation. The image is overlaid with a dark teal diagonal band.

EVENTS

End Game Solutions Conference 2024

POWERED BY

SPENCE



FOREWORD

End Game Solutions Conference

For most Private Sector employers, an existing Defined Benefit (DB) pension scheme is perceived as a problem to be solved. Starting in the early nineties, DB schemes fell out of favour as employers transitioned to Defined Contribution (DC) arrangements. DB schemes were closed to new entrants and then to further accrual as a precursor to formal wind up.

Thirty years ago, the only viable wind up option was buy-out. The trustees would buy immediate or deferred annuities for scheme members from the small group of insurers offering this service. Market conditions in the early 21st century made wind up difficult. Many remaining DB schemes were in deficit – some seriously so – and legacy schemes were perceived as an albatross around an employer's neck. Deficit repair was a long and painful process.



However, in the recent past, there has been a dramatic transformation. Changing economic conditions have seen deficits eliminated. Many schemes are now significantly in surplus. Additionally, the options for sponsors of legacy DB schemes have changed dramatically too.

Buy-out remains the obvious wind up solution for most employers. Whereas at the turn of the century there was just one insurer active in this area, there are now several, and the buy-out market has become extremely competitive. Sponsors of smaller schemes have the further option of passing their plan to a consolidator. Finally, some employers might now prefer not to wind up the scheme at all. If the scheme is in surplus, employers might prefer to allow the scheme run on and arrange a return of that surplus. A recent reduction to the tax charge payable on return of surplus makes this a particularly attractive option. Although buy out is likely to be ultimate solution, the route there may be indirect.

The options open to employers are greater than at any time in the past, and trustees and sponsors will be keen to identify the route to wind up that will best suit them. Finding the most suitable option can be bewildering. As a result, PMI and Spence & Partners have come together to create a full-day which examines the endgame options in their entirety. A range of expert speakers will identify the three options and examine each in detail. There will be ample opportunity for attendees to interact with the speakers and ultimately to identify the wind up option that best addresses their needs.

This conference is specifically designed for trustees and corporate finance professionals but will also be of interest to anyone with an interest in DB scheme wind up. The degree of detailed analysis will surely be invaluable to anyone with responsibilities toward a mature DB scheme, and the conference represents an unmissable opportunity to learn in depth about a complex issue.

CHAIR PERSON'S WELCOME

End Game Solutions Conference

Welcome to this landmark conference, hosted by PMI and Spence & Partners, where we come together to examine the changing landscape for Defined Benefit (DB) scheme management and the journey to your endgame. Thanks to significant shifts in market dynamics and regulatory reforms, a spectrum of potential solutions has opened up for DB schemes, with new opportunities for trustees and sponsors to consider.

The DB pension scheme story in the UK has been one of continual evolution. The widespread transition from Defined Benefit to Defined Contribution plans began in the early 1990s and has led us to the multi-faceted environment we navigate today. Thirty years ago, the sole pathway to wind-up was the buy-out - feasible only through an extremely limited group of insurers. Fast-forward to the present, and we now see a competitive market, which has transformed the options for managing and ultimately winding down these schemes.



Today's conference is more than an exploration of buy-out and the process of transferring liabilities to an insurer. There are now multiple pathways trustees and sponsors may consider. Smaller schemes, in particular, have gained new options, including operational consolidation and even the possibility of running schemes on with a view toward surplus extraction. This shift is especially relevant for small schemes, which make up around 85% of the DB market, yet are often overlooked at conventional endgame events.

Recent improvements in funding, new avenues for surplus access, and advancements in regulatory governance are reshaping the DB landscape. For trustees, sponsors, and corporate finance professionals, these developments open the door to customized endgame strategies that align with the unique needs of each scheme. Throughout the day, a panel of experts will guide us through these options, offering insights into the factors driving this transformation and the practical steps for those charged with the future of a DB scheme.

We are confident that the depth of analysis and breadth of perspectives provided by today's speakers will equip trustees and stakeholders with the insights necessary to make informed, strategic decisions in this complex arena. This conference is not only an invaluable learning opportunity but also a forum for discussion, collaboration, and the sharing of best practices as we collectively work toward sustainable and tailored solutions.

I thank you for joining us for what promises to be an engaging and insightful day.



Bill Galvin
CEO, 3173 Group

SESSION 1

Introduction

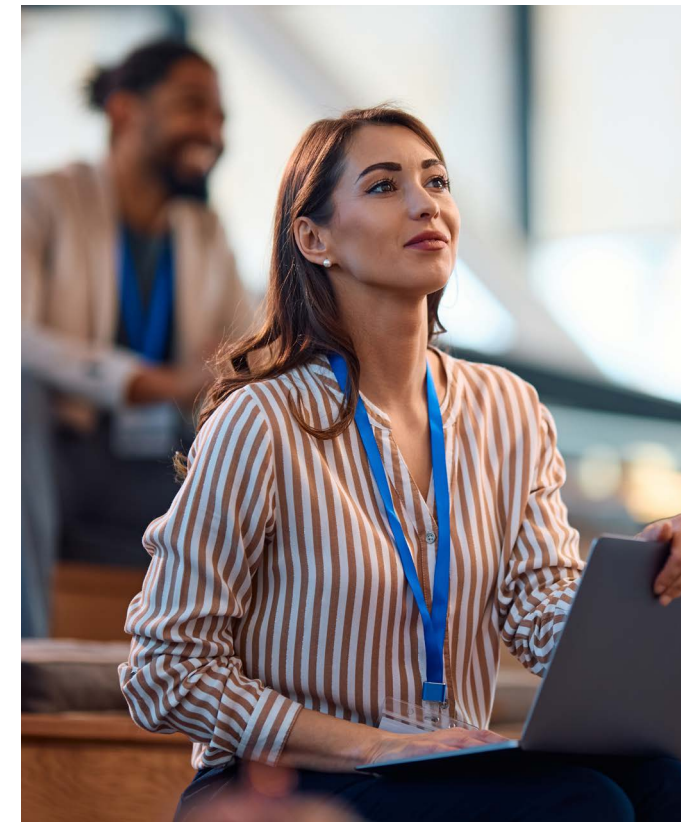
Welcome to the PMI End Game Solutions Conference Powered by Spence & Partners

We're delighted to have you join us for the premier event focused on long-term planning for smaller DB pension schemes, specifically designed for schemes with up to £175m in assets or 1,000 members.



As a trustee or CFO, you face the complex task of navigating the end game for your pension scheme, balancing risks and rewards. Our conference is here to help you make confident, informed decisions. You'll gain valuable insights from industry experts, including asset managers, covenant advisors, insurers, legal professionals, and consultants.

The conference will feature engaging discussions, debates, and practical case studies that dive into regulatory and legislative expectations. You'll explore consolidation strategies, discover streamlined solutions for smaller schemes, and learn how to mitigate risks effectively. Whether you're considering a run-on approach or an insurance buyout, this event will equip you with the tools and knowledge to confidently plan your scheme's next steps.



POWERED BY

SPENCE

SESSION 2

Setting the Scheme and Technical Analysis – exploring the options

SPEAKER 1



Martyn Phillips
Head of Risk Transfer, Spence & Partners
Email: Martyn_Phillips@spenceandpartners.com

With over 15 years of specialisation in the pension risk transfer marketplace, Martyn has cultivated strong relationships with bulk annuity insurers and consolidators. He is dedicated to assisting Trustees and scheme sponsors in devising and implementing robust risk transfer strategies.

SPEAKER 2



Rachel Graham
Scheme Actuary, Spence & Partners
Email: Rachel_Graham@spenceandpartners.com

Rachel is a Fellow of the Institute & Faculty of Actuaries and is a Scheme Actuary. Rachel provides pension scheme consultancy services across a range of clients. Rachel has experience working for private pension schemes on regulatory tasks, as well as on tasks for the not-for-profit sector for a variety of organisations across the UK.

SPEAKER 3



Tom Pook
Head of Trustee Services, Spence & Partners
Email: Tom_Pook@spenceandpartners.com

Tom is joint head of our Scheme Terminations Practice working with clients going through buyout / windup activities. Tom particularly enjoys identifying practical and pragmatic solutions to complex problems involving pension data and benefits. Tom has worked with clients with assets ranging from £100,000 to £1 billion and is a firm believer in tailoring approaches to each pension scheme's individual circumstances.

SPEAKER 4



Aoife Farrell
Actuarial Trainee, Spence & Partners
Email: Aoife_Farrell@spenceandpartners.com

Aoife is an Actuarial Trainee at Spence & Partners. She qualified as an Associate of the Institute and Faculty of Actuaries (AIA) in 2022, and is studying towards the Fellowship qualification. With 3 years' experience in the Risk Transfer field, Aoife has gained valuable hands-on experience working with Schemes on their journey to buyout. Aoife's expertise extends to Enterprise Risk Management, and she is currently working towards the Certified Risk Enterprise Actuary (CERA) qualification.

Session synopsis

In this detailed technical session, the Spence & Partners speakers will provide a thorough exploration of the various end game options available to pension schemes. This includes a deep dive into traditional insurance buyouts, consolidation vehicles (both with and without sponsor links), run-on strategies, and emerging solutions. The session aims to offer a nuanced understanding of each option's technical aspects, benefits, and implementation considerations.



SESSION 3

Navigating Regulatory Expectations: Trustees' Roles in Scheme Wind-Up

SPEAKER 1



Fiona Frobisher
Head of Policy, TPR
Tel: 07985 590 205

Fiona steers the policy team at The Pensions Regulator. Her role encompasses close working with government, industry engagement and a strategic approach to developing policy that delivers better pensions for savers. Her team has implemented robust frameworks, ensuring trustees and employers have the support they need for effective scheme operation.

Session synopsis

As pension schemes approach the end game, trustees play a critical role in ensuring the process works effectively to deliver promises to scheme members. This session, led by experts from The Pensions Regulator (TPR), will provide trustees with essential guidance on navigating the regulatory landscape during this complex phase.

Key takeaways

- Trustees need to act collaboratively with employers, but always in members' best interests.
- These are complex, nuanced decisions. You need to consider relevant factors and different options. There is an element of due diligence and a need for an audit trail of your rationale for decisions.
- You will be guided by your understanding of your scheme's strategic aim. Consider how best to get specific technical knowledge you may need and how to recognise conflicts of interest in any solutions.



SESSION 4

Risk Mitigation Strategies: Protecting Trustee Boards from Vulnerabilities Scheme Wind-Up

SPEAKER 1



Kate McInerney
Partner, A&O Shearman
Tel: +44 203 088 4459
Email: kate.mcinerney@aoshearman.com

Kate is an insurance specialist with extensive transactional and advisory experience in the sector. Kate's clients include insurers, reinsurers, pension scheme trustees, sponsoring employers and banks. As well as having an outstanding record in longevity de-risking, Kate has worked on some of the most significant transactions in this sector in recent years.

SPEAKER 2



Neil Bowden
Partner, Head of UK Pensions, A&O Shearman
Tel: +44 20 3088 3431
Email: neil.bowden@aoshearman.com

Neil is UK Head of Pensions advising trustees and employers on key strategic changes such as benefit reviews, contingent funding arrangements and closure to future accrual. He also has a great deal of experience in liability management, including advising in some of the most significant recent buy-in and longevity swap transactions.

Session synopsis

In an increasingly complex regulatory environment, trustee boards face numerous risks that can impact the successful management and wind-up of pension schemes. This session, led by the legal experts at A&O Shearman, focuses on the essential risk mitigation strategies that can safeguard trustee boards from potential vulnerabilities.

Next steps

Before selecting an end game solution, make sure you consider all the options and get advice on which is right for your scheme and its sponsor. There is no 'one size fits all' solution and it's important to understand the dynamics of the provider and the market to get the right deal.

Key takeaways

- Each option – buy-in/buyout, consolidate, run-on – has its own risks and issues to consider. Careful consideration of all potential contingencies is essential.
- Contractual terms are key to mitigating counterparty and data risk – so appointing the right advisers is critical. Mitigations can be found for most risk scenarios.
- The end game is not necessarily the end: consider residual risks and how these will continue to be mitigated.

SESSION 5

Buy-out - Streamlining solutions for smaller schemes

CHAIR



Martyn Phillips
Head of Risk Transfer, Spence & Partners
Email: Martyn_Phillips@spenceandpartners.com

With over 15 years of specialisation in the pension risk transfer marketplace, Martyn has cultivated strong relationships with bulk annuity insurers and consolidators. He is dedicated to assisting Trustees and scheme sponsors in devising and implementing robust risk transfer strategies.

SPEAKER 1



Andrew Shaposhnikov
Aviva, Pensions and Investment Actuary
Email: andrew.shaposhnikov@aviva.com

Andrew is a pensions and investment actuary with over fifteen years of experience in a consulting environment advising occupational pension schemes and their sponsors on all aspects of funding and investment strategy. In 2023 he joined Aviva Bulk Purchase Annuity team and is currently leading it Aviva Clarity proposition helping well-prepared schemes of all sizes to secure member benefits via a simple, robust, and efficient process.

SPEAKER 2



Dominic Moret
Legal & General, Head of Origination & Execution
Email: dominic.moret@landg.com

Dominic Moret leads the team in Legal & General's Pension Risk Transfer business that is responsible for implementing buy-in and buyout transactions, building and maintaining our relationships with pension scheme trustees, sponsoring employers and their advisors, and developing solutions to meet their needs. He has more than 20 years' experience across pensions consulting and life insurance and is a Fellow of the Institute and Faculty of Actuaries.

SPEAKER 3



Ross Breckon
Just, Business Development Manager
Email: ross.breckon@wearejust.co.uk

Ross leads Just's relationship with consultancies, independent trustees and individual schemes - from initial discussions through to signing the buy-in contract. Before moving to Just, Ross worked as a risk transfer consultant advising schemes from £2m to £4bn. In his spare time, you can usually find him on the football pitch, running on trails or helping out on the family farm.

Session synopsis

As smaller pension schemes approach their end game, trustees face the critical decision of whether a buy-out is the most efficient path forward. This debate delves into the legal risks and considerations of various end game options, including buy-outs, consolidation vehicles, and run-on strategies, with a focus on their impact on trustees and scheme members.



Summary of Streamlined Insurer Propositions



	Aviva “Clarity”	JUST “Beacon”	L&G “Flow”
Maximum size of scheme?	No limit, however, expect typical expected to be below £150m	No limit	None - Most transactions under £150m
Minimum size of scheme?	None	None	None - Most transactions over £20m Will quote on <£20m if slots available
Possible maximum number deals p.a.	100+	100+	Pricing up to 60 p.a once at full capacity (a mix of illustrative and transactable quotes)
Any exclusivity requirements?	No, but exclusivity helps speed up quotation/reserve pricing slot	No	No, but exclusivity will help prioritisation
Benefit Specification Format required?	Insurer specific template	Not required to receive indicative pricing Can work with scheme format or if no benefit spec exists, one can be easily generated from Beacon template	Insurer specific template
Data Format required?	Insurer specific template	Insurer specific template	Insurer specific template
Any restrictions/exclusions due to any reinsurance arrangements?	No	No	No
Single round or multiple quotes?	Preference for single round guaranteed, can do several for larger deals	Can do both	Single round guaranteed quotes
Price Lock available?	Yes	Yes	Yes - For most LGIM clients can lock to assets and novate assets as premium payment.
Additional features?	Standard policy contract terms with no negotiation	Standard terms or pre-agreed contracts with minimal or no negotiation	Standard policy contract terms with no negotiation
Future developments?	Improved industrialisation of post transaction onboarding and enhanced member experience/journey	Continued ease of use refinements	In 2025 expect to continue to build out capacity and price monitoring offering.

LEGAL & GENERAL

Flow

Why choose Flow?

- **Tailored for smaller schemes:** Flow is ideal for small pension schemes, providing access to transactable pricing and a flexible post-sale framework.
- **Guaranteed pricing:** We offer single round guaranteed and transactable pricing, ensuring certainty and the ability to transact quickly.
- **Flexible price lock and premium payment:** We will provide a price lock to preserve affordability until the transaction is completed. For LGIM clients we will novate assets at the point of transaction to avoid asset restructuring costs.
- **Dedicated support:** One of our in-house administration team members will be a dedicated point of contact, providing prioritised support throughout the onboarding process.

Flow is designed for:

- Any smaller pension scheme, regardless of size, but we expect most transactions will be over £20m and under £150m.
- We will prioritise schemes partnering with us on a sole insurer basis, but we also have capacity to support auction approaches.
- We will also prioritise LGIM clients.

Transaction process

1. **Eligibility confirmation:** Scheme completes a simple triage checklist.
2. **Data submission:** Trustees and advisers complete Flow data and benefit template
3. **Guaranteed quote:** We provide guaranteed transactable premium and price lock terms.
4. **Execution:** Transaction executed within 4 weeks.
5. **Data cleanse:** Mutually agreed timeframe to meet the needs of the scheme's administrator with project management support from us.
6. **Final steps:** Final balancing premium paid, administration transitioned, and individual policies issued to scheme members.

Flow terms

We use pre-agreed terms for Flow to support scalability, with a simple schedule to capture scheme specific details. Individual terms within the contract can be varied to meet the specific operational requirements of a scheme (for example, the length of the data cleanse period). We will share the populated terms alongside our guaranteed quotation for trustees and advisers to review.

Post-transaction support

- **Data cleansing:** Bespoke and flexible timescales to meet scheme and administrator needs.
- **GMP Equalisation:** Completed during the data cleanse period.
- **Project management:** Regular support meetings and dedicated project manager.
- **Payroll requirements:** Regular sharing of benefit and payroll information.
- **AVC funds:** Transferred during the buy-in phase with interest on transferred funds.

Our onboarding and administration process is tailored and prioritised for small schemes, with a dedicated contact working within agreed timeframes to complement adviser and administrator processes. This approach allows focus on data cleansing, minimal premium adjustments, and maintaining member expectations during the buy-in phase. After buyout, members receive the same high-quality service and care as all our policyholders.

Member Care

Our in-house administration team provides timely and accurate information to members during the buy-in period. When the scheme transitions to buy-out, members can access information via phone, online, and at our 'meet the team' events. We prioritise pension scheme members, ensuring the same high level of care and expertise for all schemes, regardless of size.

Previous transactions under Flow

To date we have worked with schemes from £2m up to over £100m, and with 15 different consultancies, on Flow transactions.

Future plans

We've introduced improvements to our Flow offering at a pace that balances our resources to best meet the needs of schemes that are ready to transact. In 2025, we are looking to sustainably build out our capacity to support more schemes and to introduce a price monitoring offering.



For more information, please contact:

Fiona Jaffray
Pricing and Strategy Director
020 3285 6837
fiona.jaffray@landg.com

Dominic Moret
Head of Origination and Execution
020 3128 1146
dominic.moret@landg.com

JUST Beacon

Introducing Beacon: Streamlined Pricing for DB Pension Schemes

In a busy market, you may sometimes hear that defined benefit (DB) pension schemes can find it difficult to get the insurer engagement that would allow them to plan and monitor their de-risking journey.

For smaller schemes (typically less than around £100m), access to streamlined processes can be particularly important and yet the vast majority of schemes in the DB market fall into this category.

Beacon is a solution

Proud of our heritage helping smaller schemes, we worked closely with them to understand what they needed and in 2019 launched our innovative, streamlined pricing service. Today, Beacon provides pricing to many schemes each month, of all shapes and sizes and stages of their de-risking journey. Beacon has helped more than 130 schemes complete transactions in the last 3 years alone.

Our pricing is based on your individual scheme's benefit structure and data (including bespoke reinsurance pricing). Having a live feed of accurate insurer pricing empowers you to take advantage of favourable market conditions and transact at the optimal time, often sooner than expected.

Experience Beacon and navigate safe passage to your de-risking destination.

Read more at:

www.justretirement.com/link/c9c4186cea1542389a018060df2fbe47.aspx

JUST.



AVIVA

Clarity

Smaller scheme access to a busy market

The UK's de-risking market has grown substantially in recent years, with both the number and size of transactions increasing – a trend that looks set to continue for the foreseeable future. During this time, larger schemes have been attracting most insurer engagement, meaning it can be challenging for some schemes to secure access to market.

Aviva Clarity helps schemes look ahead with confidence by improving their access to market. We make it easy for schemes to get a quote, and our streamlined de-risking journey provides a quicker, more efficient, but fully robust process for schemes that have a less-complex benefit design.

Aviva are a whole of market provider, with vast experience supporting schemes of all sizes on their journey to de-risking. That's why we believe that all schemes – no matter their size – can access the market and have the opportunity to secure de-risking.

Our pricing is based on your schemes specific data and benefits.



Which schemes is it suitable for?

It's designed for well-prepared schemes, typically with a liability of £100m or less and a standard benefit specification. However, we can also accept larger schemes that are happy to follow our standardised de-risking process.

What can you expect?

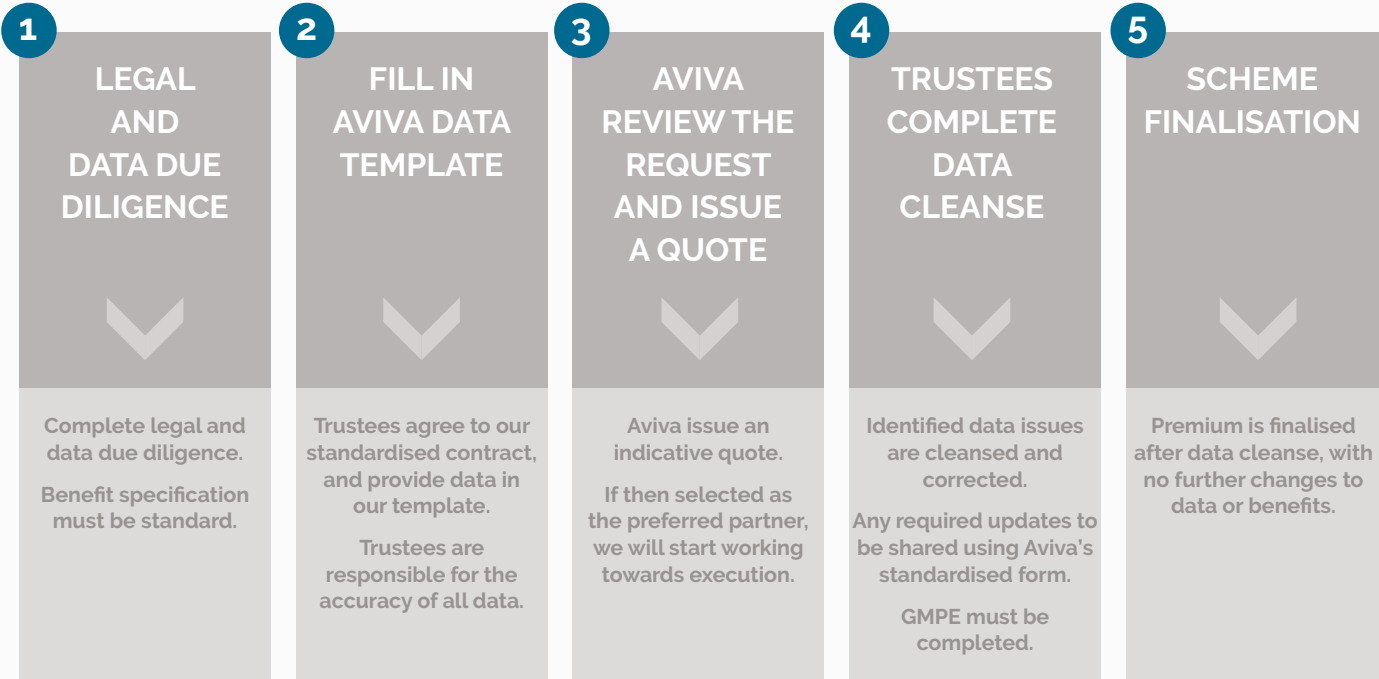
Aviva Clarity uses standard terms to provide a quicker and more efficient process, giving better access to market for more schemes. It gives:

- A simple, standardised, and efficient process.
- Access to quotes for all schemes meeting our criteria.
- Use of a standard data and benefits template for all quotation requests.



Our streamlined process

Five clear and simple steps from quote to finalisation



AVIVA
Clarity

Aviva Clarity FAQ

When should data checking and legal due diligence be completed?

We use the data and benefits supplied in our standard data template to generate an indicative quote, so we expect it to have been thoroughly prepared and checked beforehand. It doesn't need to be perfect at this stage, as there is allowance for data cleansing post-transaction – however, this is only to fine-tune the data, not change it significantly.

Legal issues can completely stop a transaction from taking place, so legal due diligence should be carried out prior to getting quotes.

Once both parties have agreed the benefit specification, it cannot be amended without Aviva's agreement.

Which scheme features can our streamlined process support?

We appreciate there's no such thing as a completely standard benefits specification. Our quotation template caters for a wide range of features, but there will inevitably be some schemes that we are unable to provide quotations for.

How is the data cleanse managed?

We ask the scheme administrator or ECB to self-check the data before sending it to us.

Data cleansing is then carried out post-transaction, during the journey to finalise the transaction. We'll keep in touch regularly to check on progress and ensure the scheme is on-track to meet planned milestones. It's important to complete data-cleansing in a timely manner – our target is to complete the data cleanse within 12 months.

What if data changes after inception?

Data on things like postcodes, deaths, and transfers-out will almost always change.

With Aviva Clarity, small changes result in a change to the premium of up to 5% will simply result in a small premium adjustment. For material changes over 5% we will need to re-price the transaction.

What if there are current member quotes issued?

We would encourage the scheme to process them as normal. Depending on the circumstances, these would either be reflected in the data cleanse, or if significant, we may need to amend our quote.

Does GMP reconciliation/equalisation need to be completed?

Yes, it must be completed prior to finalisation of the transaction, with the data cleanse.

Are price locks available?

Yes, they are available for schemes of any size.

Is exclusivity expected?

No, we're generally happy to be involved in multi-insurer processes. There may be some cases where we insist on exclusivity, for example, when looking at very small schemes. If we insist on exclusivity, we will confirm this to the advisers/trustees.

Why Aviva?

- Capability:**
 - An experience corporate insurer with more than 50 years in the bulk annuity market.
 - Over 750 BPA transactions completed – and over £109bn of corporate pension scheme assets under management.
 - Aviva services over 1.3m UK annuities and pays around £3.2bn of annuity benefits every year.
- Stability:**
 - A Solvency II Coverage Ratio: more than double the regulatory requirement
 - Insurer financial strength ratings in the AA range.
 - A meticulous approach to sourcing assets that match cashflows for years to come.
- Reliability:**
 - Our robust and efficient processes support an smooth end-to-end journey.
 - A standard template and contract for all schemes simoplifies the overall process.
 - Full access to expert support for you and your members from our in-house UK teams.
- Sustainability:**
 - We work closely with our in-house fund manager, Aviva Investors, who've been ranked third out of a sample of 77 of the world's largest asset managers across responsible investment themes (ShareAction, Point of No Returns 2023).
 - More than £17.9bn invested in UK social infrastructure (Aviva Insurance, Wealth & Retirement, December 2023)
 - Financing initiatives for cleaner transport and renewable energy through financing £400m towards a new fleet of trains for East Midlands Railway, and £400m towards the construction of the Hornsea One off shore wind farm.



SESSION 6

Case Study Workshop: Traditional Insurance Buyout Routes

CHAIR



Akash Rooprai
Trustee Director, Head of Risk Transfer, IGG
Email: akash.rooprai@weareigg.com

With over 30 years' pensions experience, Akash is a qualified actuary and leads a range of pension schemes with a variety of sizes and circumstances. Akash has industry-leading knowledge of pension risk management and journey planning and is respected by industry leaders in this area. He has a wide network across the EBCs and insurers up to the most senior levels.

SPEAKER 1



Sarah Parkin
Pensions Partner, Linklaters

Sarah is a partner in the Linklaters pensions group. She has a particular interest and extensive experience advising trustees and sponsors on de-risking solutions. With a breadth of experience over the years across numerous buy-ins (including framework agreements, tranching arrangements and full buy-ins), longevity swaps and residual risks cover. She is a regular speaker at industry events on de-risking.

Session synopsis

For smaller pension schemes, navigating the path to a successful insurance buyout can be particularly challenging. In this focused 30-minute workshop, each panellist will present a real-world case study, highlighting the specific challenges smaller schemes face when pursuing traditional insurance buyout routes and the innovative solutions that have been implemented to overcome these hurdles.

Next steps

Trustees and sponsors should consider the potential pros and cons of a run-on strategy alongside alternative end-games, including the issues discussed in this session.



SESSION 7

Case Study Workshop: The Case for Run-On

CHAIR



Ellie Mckinnon
CEO, Cheviot
Email: emckinnon@cheviottrust.com

Ellie has worked in the pensions industry for more than 30 years. She is responsible for the strategic direction of the Cheviot Trust and is also a trustee. An authorised DC Master Trust, Cheviot also runs a DB master trust under the same governance structure. With a background in the legal sector, Ellie has a strong focus on governance issues. She is passionate about clear, focussed and accessible communications across the board: from advisers and trustees to employers and members.

SPEAKER 1



Barnaby Low
Portfolio Manager, Charles Stanley
Email: Barnaby.Low@charles-stanley.co.uk
Tel: 0207 149 6187

Barnaby has been working in pensions and investment for 15 years, starting as an investment consultant before switching to fiduciary management. Throughout his career he has advised pension scheme trustees and charities on all aspects of investment including journey planning, risk management, and end-game strategy. He currently manages portfolios for DB pension schemes with a range of long-term objectives.

Barnaby qualified as a Fellow of the Institute & Faculty of Actuaries in 2014 and holds masters degrees in finance and economics.

SPEAKER 2



Karina Brookes
Partner, EY-Parthenon
Email: kbrookes@parthenon.ey.com

Karina leads EY's UK Pension Covenant Advisory practice. She has over 20 years' experience in pension advisory services advising corporates and trustees of some of the UK's largest pension schemes. This includes scheme funding, restructuring, transactions, apportionments and regulatory issues. She has also spent time seconded to the funding team at the pensions regulator.

Session synopsis

As an alternative to traditional buy-out, some trustee boards may wish to consider "run-on" strategies as an alternative path to securing member benefits. In this 30-minute workshop, panellists will explore real-life case studies, demonstrating the challenges faced by smaller schemes in adopting a run-on strategy and the solutions that have been successfully implemented to ensure long-term viability.

Next steps

Trustees and sponsors should consider the potential pros and cons of a run-on strategy alongside alternative end-games, including the issues discussed in this session.

Key takeaways

- It is important to understand the level of reliance on covenant needed going forward and if the covenant is sufficient to support it before adopting a run-on strategy that could involve types of support like escrow or security
- Understanding the level of covenant risk capacity will determine the level of risk in your investment strategy and funding strategy
- Trustees and sponsors should carefully consider the potential uses of a surplus when determining the investment strategy
- The market now provides a number of different run-on strategies, including running on independently or through various forms of consolidation

SESSION 8

Operational Consolidation in Practice

CHAIR



Tom Pook
Head of Trustee Services, Spence & Partners
Email: Tom_Pook@spenceandpartners.com

Tom is joint head of our Scheme Terminations Practice working with clients going through buyout / windup activities. Tom particularly enjoys identifying practical and pragmatic solutions to complex problems involving pension data and benefits. Tom has worked with clients with assets ranging from £100,000 to £1 billion and is a firm believer in tailoring approaches to each pension scheme's individual circumstances.

SPEAKER 1



Ellie McKinnon
CEO, Cheviot
Email: emckinnon@cheviottrust.com

Ellie has worked in the pensions industry for more than 30 years. She is responsible for the strategic direction of the Cheviot Trust and is also a trustee. An authorised DC Master Trust, Cheviot also runs a DB master trust under the same governance structure. With a background in the legal sector, Ellie has a strong focus on governance issues. She is passionate about clear, focussed and accessible communications across the board: from advisers and trustees to employers and members.

SPEAKER 2



Annabelle Hardiman
Trustee Director, Head of PCST & IGGnite, IGG
Email: annabelle.hardiman@weareigg.com
Tel: 07435 546575

Annabelle acts as a professional trustee across a number of schemes with a strong focus on good governance. Annabelle has experience in both defined benefit and defined contribution arrangements, and both single-employer and multi-employer arrangements. This includes the use of master trusts, where Annabelle has extensive knowledge of the DC master trust authorisation regime. As part of her role as Head of PCST, Annabelle is responsible for ensuring IGG is at the forefront of innovation in this space. As part of this, she led the development of IGGnite, a streamlined governance solution specifically created for smaller schemes.

Session synopsis

Through real-world case studies presented by experts from Cheviot and IGG, attendees will gain insights into the tangible benefits of operational consolidation, such as high quality governance, reduced costs, and streamlined operations. Speakers will share their experiences in implementing consolidation solutions, highlighting both the opportunities it offers and the challenges it helps resolve.

Next steps

Please contact Ellie or Annabelle if you would like to discuss operational consolidation models in general, or how Cheviot or IGGnite may help deliver a cost-saving, streamlined solution for your scheme, sponsor and members.

Key takeaways

- There are a variety of governance operational models that are designed specifically for small schemes to help you best manage your scheme
- Many of these consolidation models, including the Cheviot Master Trust and IGGnite, deliver economies of scale without significant upfront cost or complexity
- The Cheviot Master Trust and IGGnite enable sponsors to retain control over the end game strategy (whether buyout or run on) whilst giving you comfort that BAU governance and regulatory requirements are taken care of

SESSION 9

Vision for the Future: What's Next for Pensions?

SPEAKER 1



Martyn Phillips
Head of Risk Transfer, Spence & Partners
Email: Martyn_Phillips@spenceandpartners.com

With over 15 years of specialisation in the pension risk transfer marketplace, Martyn has cultivated strong relationships with bulk annuity insurers and consolidators. He is dedicated to assisting Trustees and scheme sponsors in devising and implementing robust risk transfer strategies.



Session synopsis

As the pensions landscape continues to evolve, it's essential for trustees, CFOs, and consultants to stay ahead of emerging trends and anticipate the challenges and opportunities that lie ahead. In this forward-looking session, Martyn will explore which End Games and operational consolidation solutions suit which schemes from both a sponsor and trustee perspective.

Next steps

Take some time to enter your scheme information into the End Game Tool and receive your tailored results setting out high level commentary on your circumstances and what this potentially means for the various End Game solutions available to you.

Key takeaways

- End Game options are rapidly growing and evolving – keep your finger on the pulse and ensure you understand your key drivers for the options open to you
- If your immediate End Game is not some form of settlement in the near term, then be prepared to review and evolve your strategy as your scheme (and solutions available) changes and matures. End Games can evolve and develop.
- Keep scheme members and their benefits at the forefront of your thoughts – ultimately End Game is about ensuring a sufficient degree of certainty of members' benefits (and not necessarily the maximum level of certainty).

Thank you to all our sponsors



PMI Contact Details:

Tel: +44 (0) 20 7257 1452

Registered office:

6th Floor,
9 Appold Street
London
EC2A 2AP

