# ALLEN & OVERY

# Pensions Group





## Pensions Law Firm of the Year

UK Pensions Awards 2019



### Pensions Litigation Law Firm of the Year

UK Pensions Awards 2019



# **European Pensions Law Firm of the Year**

European Pensions Awards, 2017 and 2018



## Educational Initiative of the Year

UK Pensions Awards 2018



# Pensions Law Firm of the Year

FT PIPA Awards 2017



## Pensions and Benefits Firm of the Year

Who's Who Legal



## Ranked Tier One for Pensions

Legal 500 UK 2019



## Ranked Tier One for Pensions

Chambers UK 2019

"They will always go that one step further to help their clients; this is the service we have received to date. Nothing is too much trouble. They are totally client-focused."

Chambers UK 2018 (Pensions)

"They provide insightful and well thought-out, thorough pieces of advice. They are very strong on technicalities, very engaged and user-friendly."

Chambers UK 2019 (Pensions)

# Who we are and what we do

We are a large team of UK pensions lawyers who advise on pension provision in the workplace. That means everything from the financial support employers and their wider corporate groups will give to their pension plans, to the day-to-day challenges faced by trustees and administrators, benefit and structural changes, disputes, and controlling costs and risks in a difficult market.

We are a longstanding practice with a lot of experience. We have a reputation for being at the forefront of legal developments and market practice. At the same time we advise on everyday matters that come up in running a pension plan. Our core client base is 50:50 trustees and sponsoring employers, meaning that we know the issues on both sides of the fence. Whatever the type of advice or approach you need, you will get clear, pragmatic answers from us.



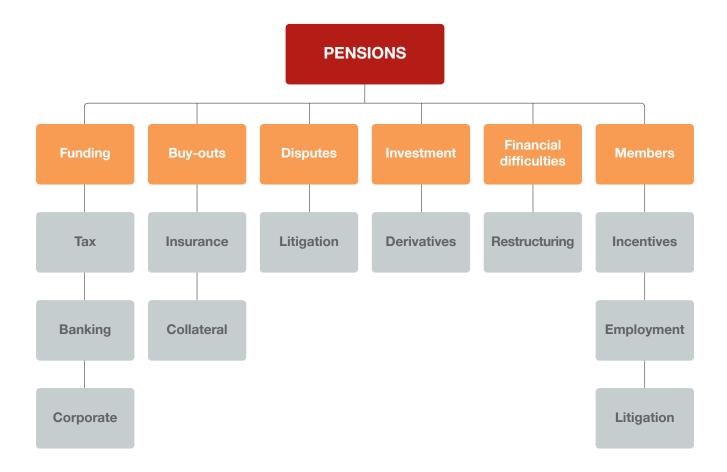
# Not just a pensions team

Our pensions clients come to us not just because we are good at pensions law. They regularly need the advice of our other leading practices within Allen & Overy both in the UK and elsewhere. Our services to trustees and employers go much wider than pure pension plan business.

Of our work on a novel funding agreement, the client said: "It's one of the strengths of the A&O pensions team that they were able to bring together banking specialists and people from other areas, but we had one principal point of contact in the Pensions team."

# A full service offering

A financial sector client was impressed with the speed at which a combined pensions, derivatives and hedge funds team could put things together on a big piece of work. Our strong technical skills in the pensions arena are plugged into a much wider pool of knowledge and expertise on which we can draw quickly.



# Some of the issues we advise on



## Some of the work we have done

We are the key day-to-day advisers for over 50 UK pension schemes. That means that we see all parts of the market – a selection of matters we have advised on is outlined below.

#### **GMPs: EQUALISATION AND OTHER ISSUES**

### LLOYDS BANKING GROUP PENSIONS TRUSTEES LTD V LLOYDS BANK PLC & ORS

Once every few years there's a case that changes the pensions industry. The Lloyds GMP equalisation case provides clarity after nearly 30 years' uncertainty about whether schemes have to equalise for the effects of unequal guaranteed minimum pensions (GMPs) and, if so, how. We advised the Trustee of the major Lloyds schemes throughout on strategy, including the initial choice to seek directions from the Court rather than allowing matters to take their course in the Employment Tribunal. As a result the industry now has the Court's answer to that central question – scheme benefits in excess of GMP must be adjusted so that the total benefits received by male and female members with equivalent age, service and earnings histories are equal. We also have guidance on how to do it.

Working alongside the Scheme actuary, we considered and analysed all methods of achieving equalisation and the potential implementation issues with each; we reviewed the Schemes' rules and prepared benefit specifications, and advised on all aspects of the litigation.

In the public sphere, we prepared and implemented a communications strategy including direct member communications, a new web portal with the latest Court case information, FAQs directed at members, videos from Trustee directors and statements from the Trustee to the press.

The issue is phenomenally complex in both cause and effects, with significant industry-wide implications estimated at up to GBP20 billion. It requires outstanding technical knowledge and depth of understanding, the capability to manage a significant Part 8 Court application and, as lead legal advisers, co-ordination of multiple other advisers and parties.

### BRITISH TELECOMMUNICATIONS PLC V HM TREASURY & ANOTHER

We've also acted on another significant and complex GMP-related action: an application to the High Court to review the Government's decision on public sector pensions, which also affects the BT Pension Scheme. In particular, this case looked at how increases are applied to the GMP part of certain members' pensions. This will have a significant GBP100m+ impact on the Scheme and affects thousands of BTPS members.

This was a matter that played out on a large scale. We drafted and organised a consultation with 70,000+ Section A and B members of the BTPS. We used our market-leading Belfast legal services team to collate responses from members in a form we could submit to Court, using cutting edge legal tech tools.



#### PENSIONS LIABILITY MANAGEMENT

#### **GROUND-BREAKING BUY-INS**

We have advised the Trustee of the ICI Pension Fund on the purchase of 16 buy-in insurance policies over a six year period. The policies are insured with three different insurers, covering liabilities of GBP9bn. We devised a wholly novel way of writing the business so that new tranches could be added within two weeks when the pricing was right.

#### WIDE-RANGING PENSIONS LIABILITY MANAGEMENT

We advised a UK defence contractor with a range of projects to manage its pensions liability. Our work included: negotiating a funding, security and investment agreement with the pension scheme's trustees, limiting the rate at which the trustees proceed with de-risking the scheme's investment portfolio; persuading the trustees to change the basis on which benefits were indexed, which reduced overall pension liabilities, and mitigating the effect of the scheme's amendment power arising from the company's legacy in the public sector to close the scheme to future benefit accrual. Throughout the closure process we helped with all aspects of the consultation process and employment issues.

#### LARGEST EVER PENSIONER BUY-IN

We advised the Trustees of the British Airways Pension Scheme on a ground-breaking GBP4.4bn pensioner bulk annuity buy-in which covers circa 60% of all pensioner liabilities. This is the largest pensioner buy-in ever completed and is a significant step in reducing risk in the Scheme.

#### GROUND-BREAKING LONGEVITY SWAP

We advised the Trustee of the BT Pension Scheme on the largest ever longevity insurance and reinsurance arrangement and the first to include the establishment of an insurance company by a pension scheme. The arrangements cover over 25% of the scheme's total exposure to improvements in longevity, amounting to some GBP16bn of the scheme's liabilities. Our London and New York teams of specialist lawyers helped the Trustee to achieve best value for the scheme, together with real innovation in the pensions industry and a significant increase in the variety of risk management tools available to large schemes.

### **INNOVATION IN THE MARKET**

#### LEADING ON BANK RING-FENCING

We advised three of the UK's four largest high street banks (both trustee and employer-side) on how to restructure their pensions arrangements in light of banking reform laws requiring the sponsoring banks to be "ring-fenced". These have been significant projects spanning several years and involving new areas of law. We worked with our corporate teams to understand the proposed changes to the employers' group structure and the requirements of the new ring-fencing laws. Together, the changes to group structure and laws meant that "no change" was not an option for the sponsoring banks. Our initial advice involved pulling together the various options for change (including establishing a new scheme,

sectionalising an existing scheme or participation in a master trust). We worked together with the banks' covenant advisers to consider how the trustees and other stakeholders (including scheme members) would react to the proposals.

#### GUIDING CLIENTS THROUGH THE GDPR

We advised over 30 pension trustee clients on data protection audits, including GDPR readiness assessments and benchmarking against other clients. Our GDPR toolkit provides practical, proportionate advice and resources for trustees; we have also carried out 'fire drill' training to prepare trustees to deal with data breaches.

# Working with us

We have outlined in the table below what we believe are our distinguishing factors and how these can be of benefit to you.

	What makes us different	What this means for you
A market leading team	We have been consistently recognised as a top tier practice in the leading legal directories since 2009, and our partners are known as leaders in their field. In addition, we offer full service capabilities with top tier practices in all areas relevant to pensions, such as investment funds, employment, corporate, real estate, tax, insurance and derivatives.	A one stop shop for all the legal advice you need. You get a streamlined and efficient service with advice that you can trust.
Relevant experience	We are the day-to-day advisers for over 50 pensions schemes of various sizes and we are familiar with the issues they present.	We bring a commercial view and in depth experience to anticipate issues and help you to avoid potential areas of difficulty.
Advice that is easy to understand combined with 'big picture' thinking	All of our advice and communications are in plain English and clearly presented. We act for employers, trustees, banks and insurance companies – we understand the issues relevant to you from multiple perspectives.	You will receive practical advice that is easy to understand and relevant to you. We bring commercial context to all our advice.
A dedicated team	A team dedicated to providing client service that we consider to be second to none. We aim to be considered as an extension of our client's team and work alongside them, providing them with exceptional service.	We invest time in understanding how you like to work so that we deliver legal advice that is commercial and in line with your business aims. This ultimately saves you time and money.

# Keeping you up-to-date

We are committed to keeping our clients up-to-date with legislative changes, regulatory developments and key case law decisions. Our know-how is carefully drafted to ensure clients understand the practical consequences of a new piece of law, rather than the technical complexities. Regular communications and materials we produce include:



### A weekly podcast

offering a two-minute wrap up of the previous week's top stories delivered to your inbox in time for your Monday morning coffee.



### Our round-up

which is a weekly summary of more technical issues prepared for our own team.



### Regular e-mail alerts

on legal and practice developments as they happen, which aim to present complex issues in clear and digestible pieces.



### A quarterly summary

of recent Pensions Ombudsman determinations of interest.



### **Quarterly briefings**

on topics of wider interest specifically for trustees (to coincide with the typical trustee meeting calendar).



### A regular market update

from our Pension Risk Group on key trends and regulatory updates in relation to managing your pension risk.



#### Reference materials

for trustees to supplement the training that you already have in place.



### Our TKU reference guide

which we have recently updated. This offers trustees a comprehensive reference guide of 20 guidance notes covering all their obligations.

"Expertly combines technical expertise and commercial acumen to provide an excellent service that is pragmatic, responsive and client-oriented."

Legal 500 UK 2019 (Pensions)

"Overall the team are always quick to respond, are very thorough and have provided the support we required."

Chambers UK 2019 (Pensions)



# Key contacts



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#### GLOBAL PRESENCE

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Abu Dhabi	Bucharest (associated office)	Hong Kong	Munich	Singapore
Amsterdam	Budapest	Istanbul	New York	Sydney
Antwerp	Casablanca	Jakarta (associated office)	Paris	Tokyo
Bangkok	Dubai	Johannesburg	Perth	Warsaw
Barcelona	Düsseldorf	London	Prague	Washington, I
Beijing	Frankfurt	Luxembourg	Rome	Yangon
Belfast	Hamburg	Madrid	São Paulo	
Bratislava	Hanoi	Milan	Seoul	
Brussels	Ho Chi Minh City	Moscow	Shanghai	

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