Corporate pensions news headlines

Week ending 9 August 2019

Proposals for flexibility in NHS scheme

In an attempt to ease NHS staffing issues which have arisen as a result of the tapered annual allowance, the Government has promised a consultation aimed at giving senior clinicians flexibility over their pension accrual in the NHS scheme from April 2020. They will be able to choose their level of accrual and contributions in 10% increments from 0% to 100% at the beginning of each year. Employers would then be able to choose if they want to pay the employer contributions given up as additional salary to the member. The new Chancellor has also mentioned a review of the operation of the tapered annual allowance in connection with the delivery of vital public services.

HSBC banks a longevity swap

The trustee of HSBC's pension scheme has agreed the second largest longevity swap ever, which covers some £7 billion of liabilities (more than 20% of the scheme's total exposure to improvements in longevity). The deal involved a captive solution using an HSBC-owned insurer in Bermuda, before the Prudential Insurance Company of America reinsured the transaction.

Phoenix Group insures own scheme

Phoenix Group has announced that it completed a further £1.1 billion buy-in for its own PGL scheme in March 2019. This transaction covered the scheme's remaining current and deferred pensioners, i.e. those not covered by the previous £1.2 billion buy-in from 2016.

better advice for companies
Copyright © 2019 Bath Actuarial Consulting

Bath Actuarial Consulting Limited | Unit 13A | Church Farm Business Park | Corston | Bath | BA2 9AP

t +44 (0) 1225 481450 | **e** info@bathactuarial.com | **www.bathactuarial.com**

Registered Address: 37 Great Pulteney Street, Bath BA2 4DA | Company Registered in England & Wales Company No. 07975135

This news summary gives general information only and should not be taken as an authoritative statement of the law. You should not take any action on the basis of this news summary and Bath Actuarial Consulting does not accept any liability to anyone who does rely on its content.