

# Managing the transition from buy-in to buy-out and wind-up

Winding up a pension scheme efficiently requires a clear strategy, effective communication and careful management. Our experienced wind-up specialists can guide you through the strategic and technical challenges to achieve a successful outcome.

The wind-up is the last step in the lifecycle of the pension scheme and represents trustees' final interaction with the members. It is therefore critical to make sure that the benefit transfer is smooth, there are no loose ends, and members are well informed.

Early planning and careful consideration of the steps involved is key to making sure that the wind-up is completed effectively and the trustees have comfort they have discharged their duties appropriately. We have practical experience of managing this process for dozens of pension schemes, know the common pitfalls to avoid and can provide pragmatic solutions to any issues that do arise as well as wider specialist support where required.

*We will plan and execute a strategy to take you through the following stages to complete your wind-up efficiently.*

## Operational process

Work with your administrators to set up the operational processes between the insurer and administrator during the buy-in phase to ensure continuity for members and minimise the need for subsequent benefit corrections.

## Communications strategy

Develop a comprehensive, well planned communications strategy so that members are provided with appropriate information at the right time and the trustees benefit from statutory protections.

## Data cleanse

Ensure the timely execution of the data cleanse exercise, including GMP equalisation, and resolve any benefit issues in accordance with a clear actionable plan that meets the insurer's requirements.

## Member options and non-core benefits

Consider and implement options for securing members' other benefits eg AVCs, other DC benefits and historical individual annuities which may need to be secured separately outside the scheme. Offer winding up lump sums, where appropriate.

## Administration transfer and issuing policies

Effect a smooth transition of administration and pensioner payroll to the insurer while closely managing tax information, and making sure that individual policies are issued to members at the right time.

## Wind-up and trustee protections

Manage the final tasks such as: triggering the wind-up at the appropriate time, production of final accounts, management of any surplus, completion of the necessary statutory notifications and consideration of appropriate trustee protections beyond the wind-up.

We have a team of specialists who are experienced in working together with existing advisors, insurers and other stakeholders to manage the successful transition from buy-in to buy-out and wind-up. This team includes project managers, former pension managers, actuaries and administrators who have a detailed understanding of the tasks required and can bring insights from similar projects to resolve any issues that inevitably arise swiftly and effectively.

*We will develop a wind-up strategy tailored to your scheme's circumstances and your desired objectives to help you complete your wind-up efficiently. The vital ingredients we can bring are:*



**Extensive experience** with a proven track record of managing dozens of wind-ups of schemes that range in size from c£1m to c£1bn.



**LCP works collaboratively** with your existing advisors and all insurers in the market to complete the process efficiently.



**Practical knowledge** and a fresh **independent** perspective to help resolve issues.



The ability to draw on the skills of our **market leading de-risking team**, as well as other specialists within LCP as appropriate to reflect the requirements of your project.



The **energy to push the wind-up forward** and see it through to achieve your strategic goals within your desired timescales, saving you money and giving you peace of mind.

*LCP guided us through this intense process and struck a good balance between seeing the bigger picture and not losing touch with the necessary detail.*

**Chairman of Trustees of FTSE 100 sponsored scheme**

## Want to find out more?

To discuss how we can help you, please contact your usual LCP adviser or:



**Rachel Banham**  
Partner

+44 (0)207 432 0624  
rachel.banham@lcp.uk.com



**Julian Jones**  
Partner

+44 (0)207 432 0667  
julian.jones@lcp.uk.com



**Sonia Nayyar**  
Consultant

+44 (0)207 432 3081  
sonia.nayyar@lcp.uk.com

**Find out more about how completing an efficient wind-up fits into a wider strategic journey plan for your scheme [here](#)**

*At LCP, our experts help to power possibility by navigating you through complexity to make decisions that matter to your business and to our wider society. We are powered by our desire to solve important problems to create a brighter future. We have market leading capabilities across pensions and financial services, energy, health and analytics.*

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