



Legal & General agrees £30m buy-in with John Townsend Trust Pension and Assurance Scheme

PPF+ transaction provides further security for all scheme members

Legal & General Assurance Society Limited (“Legal & General”) today announces that it has agreed a £30 million full scheme buy-in transaction with the John Townsend Trust Pension and Assurance Scheme (“the Scheme”), covering the benefits of over 280 pension scheme members.

The Scheme entered Pension Protection Fund (PPF) assessment in December 2015, following the insolvency of Sponsor, John Townsend Trust, a charity that provided education and care to deaf children and young people. This type of PPF+ transaction enables the Trustees to secure benefits for the Scheme’s members at or above the level of compensation that would have been provided by the PPF.

This transaction is a further demonstration of Legal & General’s expertise in delivering beneficial outcomes for members by enabling pension schemes to ‘exit’ the PPF with a Pension Risk Transfer solution.

Independent company, Open Trustees, was advised on the transaction by Barnett Waddingham LLP and legal advice was provided to Open Trustees by Gowling LLP.

Adrian Somerfield, Director, Legal & General Retirement Institutional

“Being able to help pension schemes whose sponsors have become insolvent is extremely rewarding and we are delighted to have helped the Trustees secure a transaction which provides long-term security to the Scheme’s members. This transaction is a great demonstration of how we can assist pension schemes exit PPF assessment and move to buyout with an insurance company.”

Jonathan Hazlett, Managing Director, Open Trustees

“We are delighted to have entered into this PPF+ buy-in policy with L&G. The insurance market is extremely busy at the current time and it can be very challenging to secure member benefits for smaller schemes. Notwithstanding this, L&G have offered us the opportunity to ensure that Scheme members receive benefits greater than what they would have received from the PPF. It has been a long process getting to this point as we negotiated all of the difficulties associated with the charity’s insolvency and, in particular, realising our interest in the School buildings. Whilst the PPF provides a valuable safety net and a significant level of protection, many members will now receive higher benefits than they might otherwise have expected had the Scheme entered the PPF.”

Simon Bramwell, Principal, Barnett Waddingham

“Getting the best possible result for members has been at the forefront of this project and it’s a testament to the efforts of Open Trustees and L&G that we’ve achieved a fantastic outcome for a small buy-in in a very busy marketplace. The key to getting transactions like this done is clear: it’s about thorough and comprehensive preparation. This isn’t necessarily quick or simple to accomplish, but the preparatory work done by the Scheme has been incredibly beneficial in achieving the buy-in efficiently and in a manner that has maximised member outcomes.”

Notes to editors

About Legal & General

Established in 1836, Legal & General is one of the UK's leading financial services groups and a major global investor, with international businesses in the US, Europe, Middle East and Asia. With almost £1.3 trillion in total assets under management*, we are the UK's largest investment manager for corporate pension schemes and a UK market leader in pension risk transfer, alternative asset origination, life insurance, workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

** at 30 June 2021*

About Legal & General Retirement Institutional

Legal & General Retirement Institutional (LGRI) works with trustees and sponsoring companies of defined benefit (DB) pension schemes of all sizes to settle their pension obligations and secure scheme members' benefits, through a full range of buy-ins, buyouts and other de-risking solutions.

Our UK Retirement annuity book stands at over £85 billion as at 30 June 2021, of which over £25 billion is invested in direct investments that deliver positive social and environmental impacts, such as clean energy and affordable housing.

Our Client Services' 12-month rolling Net Promoter Score (NPS) is above +70, which is widely regarded as being at a "world class" level.

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