



## Legal & General agrees second transaction with the Nortel Networks UK Pension Plan

Legal & General Assurance Society Limited (“Legal & General”) today announces that it has agreed a £105 million buyout with the Nortel Networks UK Pension Plan (“the Plan”), providing additional benefits to around 8,200 retirees and 4,300 deferred members.

This transaction follows a [£2.4 billion buyout between Legal & General and the Plan in 2018](#), which secured benefits in excess of PPF levels for members. This was achieved through an innovative transaction structure and benefit design, which provided members with flexibility and options to reshape their benefits to suit their preferences.

The Plan originally entered PPF assessment following its sponsor, Nortel Networks UK Limited, going into administration in 2009. Since the transaction with Legal & General in 2018 the Plan has received additional recoveries through the sponsor’s insolvency proceedings. Today’s buyout uses some of these funds to provide additional benefits to Plan members on terms that were agreed alongside the original transaction. A further transaction is likely to follow in the future.

The Trustee was advised on the transaction by Isio and legal advice was provided by Travers Smith. Legal advice was provided to Legal & General by Eversheds Sutherland.

### **Rachel Cutts, Origination and Execution Director, Legal & General Retirement Institutional**

**“The success of this transaction is a direct result of the solutions-driven framework that we put in place in 2018 in collaboration with the Trustee and its advisers, which has now allowed us to further enhance the benefits for so many of Nortel’s pension plan members. It’s another important milestone for the Plan and we look forward to continuing to work with the Trustee to complete its journey from PPF assessment to fully securing benefits above PPF levels for its members.**

**This transaction builds on Legal & General’s track record of structuring and delivering beneficial outcomes for members of pension schemes that enter PPF assessment.”**

### **Clive Gilchrist, Chair of Trustees**

**“The completion of this second transaction is a significant milestone in what has been a 12+ year process. Since 2009 we have worked with our advisers with the objective of improving outcomes for all of our members, first through maximising recoveries from Nortel’s worldwide insolvency proceedings and then implementing a completely new approach to securing benefits in a PPF+ scenario. We’re now one step closer to completing this journey and we look forward to working with our advisers and Legal & General to secure further benefits with the remaining funds left in the Plan.”**

### **Lee Jagger, Isio**

**“We are delighted to have completed this second transaction, securing further benefits for members of the Nortel Pension Plan on excellent terms. When companies fail and their pension schemes move into the PPF, it’s a time of great uncertainty and stress for their members. Therefore, we are extremely proud that our approach to securing PPF+ benefits provides choice, flexibility and crucially delivers the most value into members’ pockets.”**

## 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 over £1.1 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, life insurance, workplace pensions and retirement income.

### 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 de-risking solutions. We work closely across divisions in the Legal & General Group, which has to date invested £26 billion in real assets including urban regeneration, clean and low-cost energy, housing and transport links.

## Further information

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