



Legal & General agrees £400m buy-in with the pension scheme of TT Electronics

Legal & General Assurance Society Limited (“Legal & General”) today announces it has agreed a £400 million buy-in with the TT Group (1993) Pension Scheme (“the Scheme”), securing the benefits of circa 5,000 retirees and deferred members.

The sponsoring company, TT Electronics plc (“the Sponsor”), is a global provider of design-led, advanced electronic technologies in aerospace and defence, healthcare and automation and electrification markets.

The Sponsor and TTG Pension Trustees Ltd (“the Trustee”) worked together for several years to prepare the Scheme to secure benefits with an insurer. This preparatory work allowed the Trustee to move quickly and lock into favourable market movements. The key to achieving this was Legal & General being able to closely link its price to the Scheme’s existing assets, giving the Trustee price certainty while the terms of the buy-in were being agreed.

Legal & General’s exceptional member experience capabilities was also cited as a key deciding factor in choosing an insurer.

The Sponsor and Trustee were advised on the transaction by Mercer, investment advice was provided to the Trustee by Schroders Solutions with legal advice provided by Mayer Brown and secretarial services and coordination by Pi Consulting. Eversheds provided legal advice to Legal & General.

Julian Hobday, Director, Legal & General Retirement Institutional

“Our tailored price locks provide price certainty for trustees, particularly during the current period of high market volatility. We’re pleased to have been able to provide this certainty to the Trustee on the latest stage of its de-risking journey. The success of this transaction is also further evidence of how important the member experience is for pension schemes looking to de-risk. We are extremely proud of the high level of service we offer at Legal & General and we look forward to welcoming the Scheme’s members.”

Paul Felbeck, Chair of the Trustee Board

“The Trustee is delighted to complete the purchase of a buy-in contract for the benefit of Scheme members with Legal & General, a highly reputable insurance partner known for its close attention to customer service and its financial strength. The Scheme’s journey over many years from significant deficit to buy-in has been made possible with the financial support and collaboration of TT and its senior management, the invaluable services of the Trustee’s advisers: financial, actuarial, legal and secretarial – who all deserve great credit for their professionalism, dedication and positive impact – along with the diligent hard work of my fellow Trustee Directors, past and present.”

Mark Hoad, TT Chief Financial Officer commented:

“This transaction is an excellent outcome for our defined benefit pension scheme members, TT and our shareholders. We have worked hand in hand with the Scheme’s Trustee over the last few years to reach this position. Those efforts, combined with excellent stewardship by the Trustee Directors, has meant that the Scheme can now be fully de-risked for the benefit of members and the Group.

Importantly, the successful execution of this transaction means there will be a significant increase in TT’s annual free cash flow.”

Patrick Lloyd, Transaction lead, Mercer:

“In this increasingly competitive buy-in market the key to a successful transaction is preparation. This transaction is built on a foundation of many years of close collaboration between the Company, the Trustee and their advisers doing just that. As a result of this the Company and Trustee was able to take advantage of current insurer pricing to leave the Scheme in a really strong position and members’ benefits well secured.”

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 over £1.4 trillion in total assets under management* of which a third is international. We also provide powerful asset origination capabilities. Together, these underpin our leading retirement and protection solutions: we are a leading international player in pension risk transfer, in UK and US life insurance, and in UK workplace pensions and retirement income. Through inclusive capitalism, we aim to build a better society by investing in long-term assets that benefit everyone.

** As at 31 December 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 £89 billion as at 9 March 2022, of which over £28 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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