



Just Group completes £86m, full scheme buy-in for biochemical and food company with significant deferred member liabilities

Just Group has completed a full scheme buy-in with the Trustee of the CSM Limited (UK) Pension Scheme.

The transaction was completed at the end of 2021, well ahead of initial expectations, with the Trustee and Sponsor working together under a collaborative joint working group to secure member benefits in full.

- The Joint Working Group conducted a feasibility study during 2020 to establish a strategy to secure members' benefits, receiving pricing from multiple insurers in three weeks using the PwC Insure service.
- This was followed by a communication exercise to deferred members aged 55 and older, to improve member understanding of their options and ultimately reduce the cost of insuring the deferred liabilities.
- The joint working group structure gave the Trustee and Company the ability to move quickly to resolve important issues and take advantage of market opportunities.
- A review of the scheme rules and administration practice was undertaken by the Scheme's lawyers to ensure the benefit specification was clear and complete, enabling insurers to use it as the basis for delivering accurate quotes.
- The Trustee hedged the scheme assets to protect against volatile market movements (in part caused by the Omicron variant of COVID-19) which provided greater certainty for the Sponsor on the contribution required.
- A marital write out exercise was completed, and an electronic trace was conducted for members that did not respond to establish the presence or otherwise of spouses so insurers could provide accurate quotes.

This working group structure and comprehensive programme of preparation ensured the joint working group were able to secure a competitive and efficient process for a relatively small transaction.

The transaction is notable for the proportion of deferred members, totalling around 80% of Scheme liabilities. This is one of several 'deferred heavy' transactions that were completed by Just during 2021, demonstrating our ability to deliver 'deferred heavy' buy-outs in both the small and medium transaction space.

The transaction was secured after a two-round competitive process. The joint working group of Trustee and Sponsor were advised by PwC UK as lead transaction advisor.

The Sponsor is in the biochemicals and food industry.

Becky Wood, Trustee Director, 20-20 Trustees and Trustee of the Scheme said: "It's a great result for Scheme members to have concluded this deal. Through a clear strategy and collaborative approach with the Company through the joint working group, advised by PwC UK, we have managed

to secure the buy-in much earlier and at a much lower cost than expected. We're now working closely with the team at Just to complete the data cleanse so we can move to issuing individual policies in the future."

Prashant Mehta, Business Development Manager, Just Group, said: "This is another transaction containing significant numbers of deferred pension members. It further demonstrates the trust placed in Just Group to support DB trustees and to provide outstanding service and peace of mind to scheme members.

"Ensuring the scheme was very well-prepared provided us with a clear view of the risks and allowed us to price the deal competitively. We are now supporting the Trustee to complete the transition and then issuing individual policies to complete a buy-out."

Jani Singh, Lead Transaction Advisor, PwC UK, said: "We are delighted to have been able to design a solution and transact a deal which met the objectives of both Trustee and Company.

"We were able to secure competitive pricing and terms from Just, which highlights the increased buy-out competition in the market. With six insurers now actively quoting on deals including deferred members, and improved funding levels, schemes are much closer to achieving buy-out than they may think.

"This deal is a great example of us working closely with the market to get early visibility on pricing and engagement through PwC Insure. This was critical in bringing the Trustee and Sponsor together to complete the deal and led to a great outcome for all parties."

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Notes to Editors:

About Just

Just (Just Group plc) is a FTSE-listed specialist UK financial services company. A leader in the individual retirement income, care and defined benefit de-risking markets, Just has completed over 230 transactions, including more than 50 buy-outs and repeat transactions with 27 schemes, securing the benefits of over 40,000 pension scheme members, since we launched our defined benefit de-risking proposition in 2012.

Just Group celebrates 10 years of participating in the Defined Benefit De-risking market in 2022. The Group has completed over 230 transactions, and in 2021 completed its largest deal, a £345m full scheme buy-in insuring almost 1,000 deferred members. New business sales in 2021 were £1.9bn, a record for the Group, up 28% compared to 2020. In 2021 Just strengthened its proposition in the DB market by launching a solution to support trustees who want to de-risk the liabilities of deferred pension scheme members. Deferred business represented 38% of all DB new business in 2021 (2020: 2%).

Just has been trusted to manage over £23 billion of customers' retirement savings and has helped customers release £5.8 billion from their properties. Just provides a wide range of products, advice and professional services to individual customers, financial intermediaries, corporate clients and pension scheme trustees.

Marketed Products

- De-risking solutions for pension scheme trustees who want to remove the financial uncertainty of operating defined benefit pension schemes;
- Individually underwritten retirement income products delivering a guaranteed income for life;
- Long term care plans that provide those people moving into residential care with peace of mind by knowing a regular payment will be made to the care provider for the rest of their life;
- Lifetime mortgages for people who want to safely release some of the value from their home.

Professional services

- Regulated financial advice and guidance services for individuals wanting help in using their pension savings and/or releasing some of the value from their home; and
- A range of business services tailored for our corporate clients, ranging from consultancy and software development to fully outsourced customer service delivery and marketing services.

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