

PPF+ buyout

Our client.

SR Technics – an airline supplier – with a £200m defined benefit (DB) pension scheme.

The issue.

The UK business had suffered significant losses over a number of years and was **unable to financially support the pension scheme** on an ongoing basis.

The broader overseas (Swiss based) group that SR Technics was part of did not have legal liability for the pension scheme but had made repeated extraordinary payments over many years.

What we did.

On our appointment as sole trustee to the pension scheme, we held **detailed and robust negotiations** with the Swiss based group. This led to a **debt compromise** agreed with clearance provided by the Pensions Regulator.

A lump sum payment was made to the pension scheme, enabling us to **secure better than PPF benefits** with an insurer. The UK business then held no ongoing liability to the scheme.

The result.

The pension scheme entered Pension Protection Fund (PPF) assessment. As the scheme was funded above PPF benefits, a 'light touch' assessment process was agreed.

A £200m **buyout at c120% of PPF benefits** was then completed with Pensions Insurance Corporation (PIC).

