



## Pensions and Reward

The issue of how to properly reward and motivate management and staff at all levels whilst satisfying other key stakeholders is one which concerns most organizations. Market conditions may mean that people can make the difference between success and failure.

Our international team comprises pensions, employment lawyers and tax advisers who have considerable experience in developing and implementing cost-efficient reward, compensation arrangements and stock-based incentive schemes tailored to each client's unique human resource and corporate strategy.

Our highly respected teams work together on executive and employee compensation arrangements to provide a one-stop integrated service.

### RELATED SERVICES

- Global Equity Compensation
- Tax

### CAPABILITIES

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#### Pensions

We have a dedicated team who understand the latest issues and work at the very heart of the pensions world. We are among a select group of firms with the global experience and resources to deliver seamless cross-border services. The scheme asset values of our clients typically range from £25m to £500m. We also advise a number of schemes significantly above this asset range.

Our pension lawyers cover every aspect of pension provision, including the creation, operation, regulation and restructuring of all types of pension fund in the private and public sectors, as well as the management of pension disputes.

We advise on all aspects of pension scheme regulation, management, litigation and restructuring, regularly acting for employers and scheme trustees. Our aim is to deliver practical, commercial advice, combining technical knowledge with a solutions-driven approach. We want to be our clients' trusted legal and business advisers so that they consider us part of their team.

#### **Our services include:**

##### **Scheme design and advisory**

We can advise trustees and employers about their duties and responsibilities in a clear and accessible way, helping them reduce the risk of non-compliance. Advising on over 500 schemes, including the second largest occupational pension scheme in the UK, our pensions team is well placed to help clients with the full spectrum of pensions issues. As well as advising on compliance with existing legislation, we make sure that we are fully aware of new legislation on the horizon so that we can alert clients to action they need to take. This is demonstrated by recent work we have completed for a number of clients in relation to automatic

enrolment.

### **Liability management**

Longevity and poor market conditions increasingly mean that employers who sponsor defined benefit pension schemes are increasingly looking for ways to manage their funding liabilities.

We have experience of advising employers and trustees on the full range of liability management activity. In particular, we have advised on a number of asset-backed funding structures and longevity swaps.

Many of these solutions require knowledge of a range of legal disciplines in addition to pensions, such as structured and asset finance, funds, tax, employment and insurance. As a large full-service law firm, we have lawyers in all of these fields and are therefore able to provide an integrated, experienced team to help clients implement their chosen strategy. We have also formed a cross-practice longevity hedging group comprising members of our pensions, structured and asset finance, tax and insurance groups in the UK and US to harness our experience in this highly complex area.

### **Mergers, acquisitions and other transactional work**

We have experience advising on all stages of corporate transactions from the initial due diligence exercise assessing what pensions issues arise to documenting the transaction by drafting and negotiating appropriate pensions warranties and indemnities.

We have a wealth of experience advising on all of the issues involved in these scenarios. If a transaction is cross-jurisdictional and a client needs to understand the way that pensions arrangements operate in different countries and the impact of the transaction on those arrangements, as a leading global law firm, we are able to call on an international team to provide this advice and we regularly co-ordinate the seamless provision of advice across multiple jurisdictions.

### **Pensions and retirement plan litigation**

Disputes arising out of pension schemes come in many different shapes and sizes, from references to the Pensions Ombudsman to multi-million pound disputes over such matters as surplus, statutory debts and investment returns. A dispute may be relatively insignificant in isolation, but its outcome may affect many members and thus have wide-ranging implications, both financial and otherwise. Also, such disputes often need sensitive handling owing to the trustee-member-employer relationships involved.

As a result of this, and given the highly technical nature of pensions law and the unique procedures used for pensions disputes, pensions litigation has become a specialised area. We are dispute resolution specialists who are in tune with the requirements of pension schemes. We understand the nature of the various relationships involved and we have both the specialist knowledge of pensions law and the experience of dealing with pensions disputes to be able to guide clients to successful solutions.

### **Pension fund investment and fiduciary compliance**

The pensions team, working together with our funds, regulatory and tax teams, are able to provide an integrated approach to the area of pension scheme investment. Investment advice will be crucial to trustees when they decide to enter into an investment, and our pensions team will work with your investment advisers to advise trustees on the nature of their fiduciary duties, compliance with the scheme's investment rules and we review the investment advice received to ensure it covers everything that the legislation requires it to.

Our funds team is highly experienced in undertaking reviews of arrangements and advising clients on negotiating the terms of their investment. Through our experience of also acting for a number of managers on the establishment of similar funds we are able to provide up to date advice on commercial norms and developing trends in these arrangements, whether within the UK or elsewhere, for the benefit of our clients.

## **Compensation**

We help businesses to create compensation arrangements, employee benefit and equity incentive plans that comply with the complex and rapidly changing rules of tax, pensions, employment and securities laws. Our services cover the full range of compensation arrangements, including employment, severance and change-in/of-control agreements, and stock option, equity and other incentive compensation plans.

We advise clients on the creation and implementation of efficient executive and employee bonus plans and profit-sharing

arrangements, assisting businesses in devising bonus policy in the light of corporate objectives and shareholder issues, to reviewing existing employment contracts and terms to determine how the policy is best implemented, through to drafting of the plan terms and other appropriate documentation.

We also advise on alternative business structures and vehicles to the typical employer/employee relationship.

### **Employee benefits**

We advise clients on the full range of employment-related benefits, including flexible benefits, salary sacrifice arrangements and beneficial loan arrangements, and how to incorporate these arrangements into employees' existing compensation arrangements.

### **Equity incentives**

We have particular experience in designing, implementing and operating share-based incentive arrangements, from long-term incentive plans and stock option plans in a domestic context to plans that work across jurisdictions, to tax efficient ratcheted equity arrangements in the private equity sector. Our advice covers tax, employment law, transfer pricing, local services law regulation and filing and withholding and compliance obligations in relation to share-based remuneration.

### **Global mobility services**

We have a team of lawyers and tax advisers who come together to provide a holistic service assisting businesses through all stages of handling postings of internationally mobile employees from an initial evaluation to implementation and exit/re-assignment strategies.

## **EXPERIENCE**

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### **Pensions**

- Acted on a pioneering transaction in which we advised the trustees of a leading financial services insurance pension scheme on a high-profile, cutting-edge £1.9 billion longevity risk transfer/swap arrangement with a leading global investment bank
- Litigation on behalf of a Dutch pension fund with regard to instructions given by the Dutch Central Bank to phase out the fund's investment in gold
- Advice on modifications to previous pension schemes after an acquisition for a global beverage company
- Advising a leading hotel group on the pension aspects of its debt for equity swap, hailed at the time as the biggest debt for equity swap in UK corporate history
- Advising a trustee of a fund on nine separate hedge fund/pooled fund investments over the course of 18 months as part of the implementation of a new investment strategy
- Advised a parent company on the provision of guarantees to the trustees of a UK defined benefit pension scheme, as part of the funding negotiations which the UK employer had with the trustees. We also advised the same company on the provision of benefits for internationally mobile senior employees

### **Compensation**

- Designing and implementing a benefits cafeteria system for a major international IT company, including obtaining clearance for the system with the Dutch tax authorities
- Advising a multinational in the semi-conductor business on a claim by a Belgian ex-employee, temporarily working in the US, for a top-up on his pension plan, taking into account his higher US remuneration
- Advising a telecom company on the grant of options to its France-based employees in order to qualify for the French preferred tax/social security regime
- Advising an Italian company on the tax issues relating to a secondment of managing directors to its German subsidiary
- Advising a multinational client on the tax issues relating to the secondment of the managing director of one group company to serve as managing director of several other companies located in different jurisdictions
- Review of numerous stock option plans and other employee participation programs for various companies, both for national

and international companies

- Advising on carried interest schemes and lucrative interest schemes for managers and other staff of private equity houses

## INSIGHTS

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### Publications

#### Post-pandemic pensions problems

16 September 2020

Initial lockdown may now be drawing to a close, but in the pandemic climate, it appears that cash is king for the sponsoring employers of pension schemes. Many scheme employers are emerging from the quarantine period with an eye to the economy and are seeking to preserve cash given the various trading and liquidity pressures currently facing them.

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#### Pensions Round-Up March / April 2020

15 June 2020

##### [PENSIONS ROUND-UP UK SERIES](#)

In this edition we look at developments from March and April 2020 including guidance from the Pensions Regulator relating to pensions and COVID-19 covering issues such as DB scheme funding and investment, DC scheme management and investment, automatic enrolment and DC contributions, scheme administration and member communication.

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#### Pensions Round-Up January / February 2020

2 June 2020

##### [PENSIONS ROUND-UP UK SERIES](#)

In this edition of Pensions Round-Up we look at developments from January and February 2020 including the Regulator's response to its 2019 consultation on the future of trusteeship and governance and two High Court judgments concerning the construction of scheme rules on pension increases.

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#### Trustees and Sponsoring Employers of Pension Schemes - Key issues arising from COVID-19

8 April 2020

The COVID-19 outbreak is affecting workforces all across the UK and the world. The spread of the virus has had a substantial impact on financial markets and the productivity of companies and workforces. As a result, trustees and sponsoring employers of occupational pension schemes should consider the potential key issues.

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#### Pensions Round-Up November 2019

20 December 2019

##### [PENSIONS ROUND-UP UK SERIES](#)

In this edition of Pensions Round-Up we look at developments from November 2019 including an update to the Regulator's guidance on DB to DC transfers and conversions and a DWP consultation on simpler annual benefit statements.

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## Pensions Round-Up October 2019

29 November 2019

### **PENSIONS ROUND-UP UK SERIES**

In this edition of Pensions Round-Up we look at developments from October 2019 including a press release from the Regulator about record-keeping and data reviews, a CJEU judgment about equalisation and a High Court judgment about rectification.

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## Pensions Ombudsman Round-Up November 2019

28 November 2019

In this edition of Pensions Ombudsman Round-Up we report on determinations concerning issues such as ill-health, auto-enrolment, RPI/CPI, employer discretion and transfers.

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## Pensions Ombudsman Round-Up September 2019

26 September 2019

In this edition of Pensions Ombudsman Round-Up we report on determinations concerning issues such as a change of the index used to calculate pension increases, the Ombudsman's Annual Report and the response to a consultation about dispute resolution.

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## No-deal Brexit: Impact on occupational pension schemes

1 September 2019

While a range of outcomes, including [a departure under the terms of the current Withdrawal Agreement](#), remains possible, it is important for businesses to plan for a no-deal Brexit, in which the UK leaves the EU without a withdrawal agreement or other deal. Here we look at the potential impact of a no-deal Brexit on employers and trustees of occupational pension schemes

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## Pensions Ombudsman Round-Up

1 MAY 2019

Welcome to the latest edition of DLA Piper's Pensions Ombudsman Round-Up newsletter in which we report on determinations made by the Pensions Ombudsman and Deputy Pensions Ombudsman. In this edition we look at determinations which cover issues including transfers and pension sharing orders.

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## Dividend withholding tax schemes - New measures take aim at Belgian and foreign pension funds

27 FEB 2019

The most striking aspect of the measures is the introduction of a rebuttable presumption pertaining to Belgian and non Belgian pension funds.

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## Events

## Previous

### Webinar: UK pension contributions and coronavirus

22 May 2020

Webinar

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## NEWS

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### DLA Piper advises GM Cruise on acquisition of Astyx

8 July 2020

DLA Piper has advised GM Cruise Holdings LLC (GM Cruise) in connection with the acquisition of Astyx GmbH (Astyx) from Zukunft Ventures GmbH, a subsidiary of ZF Friedrichshafen AG, and the founders of Astyx.

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### DLA Piper advises Heidelberger Druckmaschinen AG on the restructuring of the company pension scheme

2 July 2020

DLA Piper has advised Heidelberger Druckmaschinen AG on the restructuring of the company pension scheme, covering all employees in Germany. This was agreed by the Management Board and employee representatives of the company together with the IG Metall trade union.

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### DLA Piper announces partnership promotions for 2020

30 April 2020

DLA Piper is proud to announce that 67 lawyers have been promoted to its partnership. The promotions are effective as of April 1, 2020 in the United States and May 1, 2020 for EMEA and Asia Pacific. The promotions have been made across many of the firm's practice areas in 35 different offices throughout 13 countries.

Across the firm's practices globally, Corporate saw the largest intake of new partners with 19 promotions, followed by Litigation and Regulatory with 15. Intellectual Property and Technology and Finance and Projects had ten and eight promotions respectively, while there were six in Real Estate. Tax and Employment both had four, and there was one in Restructuring.

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### DLA Piper advises Heidelberger Druckmaschinen on package of measures to increase profitability

20 March 2020

DLA Piper has advised Heidelberger Druckmaschinen AG on the comprehensive package of measures to increase its profitability which has been announced by the company. The aim is to reduce structural costs at short notice and to sustainably improve the company's profitability. This will significantly improve Heidelberg's financial stability.

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### DLA Piper lawyers named Acritas Stars

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10 March 2020

Acritas has named over 200 DLA Piper lawyers as 2020 Acritas Stars. Now in its fourth year, Acritas Stars highlights the stand-out lawyers in private practice as nominated by clients around the world. More than 3,000 senior in-house counsel feed into the nomination process to give a comprehensive view of highly recommended lawyers across the globe.

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### **DLA Piper announces management changes in Spain**

25 February 2020

DLA Piper has appointed Jesús Zapata as its new Country Managing Partner in Spain, with effect from 1 May 2020. Jesús succeeds Pilar Menor who, after completing eight years as managing partner, will become International Group Head of the Employment practice group.

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### **DLA Piper advises Guala Closures Group on the acquisition of the assets of Germany's Closurelogic**

6 January 2020

DLA Piper has advised the Guala Closures Group, one of the world leaders in the production of security closures for spirits and aluminium closures for wines, as well as one of the major world producer and distributor of aluminium closures for the beverage industry, on the acquisition of the activities of Closurelogic GmbH, the German producer specialised in the aluminium closures.

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### **DLA Piper advises on Allied Domecq Pension Fund's GBP3.8 billion buy-in with Rothesay Life**

30 September 2019

DLA Piper has advised long-standing client, the Trustee of the Allied Domecq Pension Fund, on the completion of a GBP3.8 billion buy-in of pensioner and deferred members' liabilities with Rothesay Life.

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### **DLA Piper makes key partner hire in London to launch pensions de-risking offering**

25 September 2019

DLA Piper has appointed Amrit McLean as a partner in London to launch the firm's pensions de-risking offering.

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### **DLA Piper advises Wipro Limited on the acquisition of International TechneGroup Incorporated**

10 July 2019

DLA Piper has advised Wipro Limited on its acquisition of International TechneGroup Incorporated (ITI), a global digital engineering and manufacturing solutions company.

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### **DLA Piper advises Rolls-Royce on acquisition of Siemens' eAircraft business**

21 June 2019

DLA Piper has advised Rolls-Royce plc on the acquisition of Siemens' electric and hybrid-electric aerospace propulsion activities, eAircraft. The acquisition will accelerate the delivery of Rolls-Royce's electrification strategy and boost its ambition to play a major role in the "third era" of aviation. The completion of the transaction is expected in late 2019, following a period of employee consultation.

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## **New report finds retail sector leadership diversity deficit will affect future competitiveness**

5 JUN 2019

DLA Piper and executive recruitment and diversity consultancy Green Park today launch *The Retail Leadership 700* report, which reveals for the first time the extent of the lack of diversity within the leadership teams of the top US, UK and European retailers.

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## **DLA Piper announces partnership promotions for 2019**

1 APR 2019

DLA Piper is proud to announce that 77 lawyers have been promoted to its partnership. The promotions are effective as of April 1, 2019 in the United States and May 1, 2019 for EMEA and Asia Pacific. The promotions were made across many of the firm's practice areas in 43 different offices throughout 20 countries.

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## **DLA Piper expands new Dublin office with four-partner hire**

9 JAN 2019

DLA Piper today announces the appointment of four new partners from highly-regarded Irish firms to its newly opened Dublin office into four key practice areas of Finance and Projects (F&P), Corporate, Intellectual Property and Technology (IPT) and Employment. These hires follow the appointment of Corporate partner David Carthy as Ireland Country Managing Partner in May 2018.

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