



## PRESS RELEASE

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### **HamishWilson pension fund survey suggests a third of schemes expect to use ETVs as stigma evaporates**

HamishWilson, the specialist pensions adviser, today announced the third and final batch of results from its recent survey.

The survey, which received 171 scheme responses (sizes ranging from under £50 million of assets to over £1 billion, with the smallest having just 60 members and the largest over 325,000) showed that 22% of schemes expect to carry out an enhanced transfer value (ETV) exercise within the next two years and a further 12% expect to do so beyond two years. This compares with just 8% who have done so to date.

Commenting, Hamish Wilson, Senior Partner at HamishWilson said, 'While several employers have carried out ETV exercises, many more have held back. However, our survey indicates the number doing so will increase, with one in three schemes expecting to conduct an ETV exercise if they have not done so already. It is clear any stigma attached to ETVs is evaporating.

The increased interest is likely to reflect falling bond yields which, as the credit crunch recedes, threaten to make pension liabilities an unwelcome item on company balance sheets. ETVs can also be used to manage the end game and reduce costs in the run up to buying out.'

Wilson added, 'ETVs may be the only viable option for smaller schemes who cannot cope with the cost of buy-outs or buy-ins and the complexity of more sophisticated solutions such as longevity swaps.

But whatever the size of scheme, ETVs, like all other possible courses of action, should be considered as part of a broader strategy. It is also important to get ETV exercises right first time as it may not be possible to have a second bite at the cherry.'

The aim of the survey was to establish the main concerns for trustees and employers in relation to their existing defined-benefit (DB) plans and their immediate and longer-term plans for addressing those concerns.

Copies of the survey report may be obtained by calling Heather Ellis on 01737 841738.

**THE END**

## **FOR EDITORS:**

### **About HamishWilson**

We are a specialist actuarial and pension consultancy providing fresh perspectives on all pension issues. We deliver advice on all aspects of pensions – not just on the “big issues” of benefit design, funding, investment strategy, transactions and accounting – but also the timely day-to-day care and problem-solving involved in any relationship.

Unlike other consultants, we don't start from the premise that a pre-determined solution is appropriate. We offer thoughts, ideas, concepts, approaches and challenge thinking; embracing your objectives for your schemes. We've seen how clients can be under-serviced or neglected in bigger consulting firms and are pleased to say our clients choose us because we are an excellent fit to their business. They know we have the commitment and expertise to meet their needs fully to the quality they expect and, crucially, they matter.

[www.hamishwilson.com](http://www.hamishwilson.com)

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