

SLAUGHTER AND MAY

Pensions and Employment

2012

Detail from Sea Morning by Trevor Bell

Contents

Introduction	01
What we do	02
Management of complex legal projects	06
Our approach to providing legal services	07
Trustee and other training	08
Other services	09
Contact partners	10

Introduction

This brochure outlines the services provided by the Pensions and Employment group and describes our approach. If you require further information, please contact Jonathan Fenn:

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SLAUGHTER AND MAY

Slaughter and May is an English law firm with an international corporate, commercial and financial practice. We have offices in London together with offices in Brussels, Hong Kong, and Beijing.

We have 122 partners and almost 1,180 staff worldwide.

Our clients include industrial and commercial companies from all business sectors, utilities, banks and other financial institutions, building societies, insurance companies and professional firms, as well as governments, public bodies and other organisations.

We have very close working relationships with leading independent law firms in all the major jurisdictions and provide our clients with cohesive multi-jurisdictional advice.

THE PENSIONS AND EMPLOYMENT GROUP

We are a single group advising on pension benefits, employment law, employee share schemes and other employee benefit related matters. The group comprises 5 partners and over 20 qualified lawyers, plus dedicated know-how lawyers and trainees. Most of our lawyers are multi-disciplinary and advise on at least two of these practice areas.

Our lawyers are “highly responsive, reliable and commercial”

.....
THE LEGAL 500, 2010
.....

What we do

PENSIONS

One of the hallmarks of our pensions practice is our involvement in some of the most complex and innovative pensions related matters. This is facilitated by our cross disciplinary approach, working in integrated teams with specialist colleagues from across the firm.

We act both for corporate sponsors (private and public sector) and for trustees on a range of matters, including:

- establishing and operating all kinds of UK pension schemes
- amending and terminating UK pension schemes
- pension fund deficits including funding valuation negotiations
- restructuring, merging and winding up pension schemes
- investment issues including implementation of liability driven investment strategies
- buy-in and buy-out of pension benefits with insurance companies, and the insurance of pension liabilities using collateralised asset swaps and longevity insurance contracts
- pension aspects of acquisitions and disposals, flotations, privatisations, reconstructions and demergers including applications for clearance from the Pensions Regulator
- disputes involving pension schemes including internal dispute resolution procedures, Pensions Ombudsman cases, High Court and Court of Appeal cases
- routine advice including attendance at trustee meetings
- establishing overseas pension schemes working with local counsel
- cross border pension issues working with local counsel.

We actively support the Association of Pension Lawyers and most of the Group's lawyers are APL members. Currently, Charles Cameron is the Chairman of the Legislative and Parliamentary Sub-Committee of the APL, and Philip Bennett is a member of the International Sub-Committee.

'The team is "very good at providing tactical solutions to legal complications that might otherwise be hard to overcome"'

CHAMBERS UK, 2011

EMPLOYMENT

Employment is a constantly changing and increasingly regulated area. We provide our clients with practical responses to the raft of new legislation, case law and regulatory changes. We advise on a wide range of contentious and non-contentious employment matters, including:

- drafting and negotiating employment documentation, especially for key senior personnel
- the latest corporate governance requirements, particularly phased payments and avoiding rewards for failure
- the impact of EU legislation, including on working time and 'family-friendly' policies
- managing information and consultation requirements, often on a cross-jurisdictional basis
- redundancies and restructurings
- employment disputes and dismissals
- complex issues involving discrimination, whistle-blowing, and restrictive covenants
- employment aspects of all commercial transactions including acquisitions, disposals and service provision changes, flotations, takeovers and insolvent restructurings.

We regularly prepare cases for the Employment Tribunal and High Court and have taken cases to the Court of Appeal. We also have considerable experience in negotiating settlements.

Our employment lawyers are active members of the Employment Lawyers' Association.

"The team garners particular praise for its responsiveness and the availability of its lawyers at all times."

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CHAMBERS UK, 2012
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"They never slip up or let us down. Lawyers there don't bombard you with lengthy discussions and documents for the sake of it. They are pragmatic and timely in their approach."

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CHAMBERS UK, 2012
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EMPLOYEE BENEFITS

The group's work in the employee benefits field includes advising on establishing:

- share incentive and bonus schemes both in the UK and internationally
- employee trusts (both common law and statutory)
- cash and other incentive schemes.

Employee benefits involve company law, tax and financial services legislation as well as London Stock Exchange, HMRC and other practices. For that reason it is essential to consult experts in the field.

Our employee benefits lawyers are members of the Share Plan Lawyers (formerly the Share Scheme Lawyers Group). Jonathan Fenn is a member of the Executive Committee of the Share Plan Lawyers, and Roland Doughty is a member of the Training Committee.

"This quality team is distinguished by its talented individuals and impressive transactional practice"

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CHAMBERS UK, 2010
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THE PENSIONS DISPUTE RESOLUTION UNIT

Our Pensions Dispute Resolution Unit has an outstanding record for resolving pensions disputes.

Pension-related disputes are often complex and require specialist knowledge as well as first class litigation and dispute resolution skills. The Pensions Dispute Resolution Unit brings together leading practitioners from our Pensions and Dispute Resolution groups to provide our clients with unrivalled expertise and experience.

We have extensive experience of disputes referred to the Pensions Ombudsman, and of pensions litigation in the High Court (including appeals from decisions by the Pensions Ombudsman).

We act for a wide spectrum of pension trustees, employers, pension advisors and actuaries on a broad range of substantial and complex pension-related disputes, including:

- equalisation disputes
- amendments and members' notifications
- construction and interpretation of trust deeds and scheme rules
- rectification of drafting and similar errors
- escalation and benefits disputes
- advisors and investment performance disputes.

We are also regularly asked to draft internal dispute resolution procedures for clients. We have extensive experience of drafting procedures which both comply with the technical requirements of the legislation and are user-friendly and easy for the member to follow. A model form of procedure is available to clients.

“These lawyers are not just ‘law book’ smart, they are creative. They come up with innovative solutions that will work both in litigation and business practice.”

CHAMBERS UK, 2012

Management of complex legal projects

We have considerable experience in the firm and in the Pensions and Employment group in managing a wide range of complex legal projects. The nature of the work of the firm as a whole means that the group is involved in complex transactions and corporate developments that demand flexible solutions to issues affecting personnel.

In addition, our group provides a great deal of “stand alone” advice.

In the pensions field, recent examples have included:

- advising on complex benefit change exercises for a number of clients
- structuring a ground-breaking “deficit for equity swap” for a pension scheme using a regulated apportionment arrangement, working with our Financing, Tax and Corporate groups
- acting (in conjunction with our Financing and Insurance groups) on some of the largest de-risking exercises to date
- advising a number of clients on asset-backed partnership investment structures, a field in which we are market leaders having first developed this investment structure with our Financing, Tax and Corporate groups in 2006.

Stand alone employment issues tend, because of the firm’s client base, to be challenging projects with complex management implications; examples include whistle-blowing and discrimination claims against senior management, and high profile hiring and firings.

Examples in the employee benefits field include the establishment of international share schemes, which involves co-ordinating legal and tax advice in a large number of overseas jurisdictions.

The skills necessary to run complex legal projects such as these include:

- knowledge and experience in applying the relevant legislation to the project in question
- forward planning
- meeting deadlines on time
- rigorous attention to detail.

Because, as a firm, we are used to dealing with complex legal projects, we have the back-up services within the firm to support them. For example, our Secretarial Support team works 24 hours a day, seven days a week to provide secretarial support to our lawyers and meetings can be held in our offices 24 hours a day.

“They are good at managing big projects. Very few firms could pull off the work we have asked them to do”

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CHAMBERS UK, 2012
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Our approach to providing legal services

COMMITMENT TO EXCELLENCE

We have a commitment to excellence in the legal services that we supply. This starts with the recruitment of the highest quality trainees and extensive training for them. It continues with a strong commitment to on-going training for our lawyers and to pooling and organising our know-how.

This commitment to excellence includes a commitment to producing and improving precedents and other model documents. Additional solicitors are employed in organising and managing our Pensions and Employment know-how and model documents.

For clients, this approach means a commitment to:

- technical accuracy
- an approach which seeks to anticipate and avoid or reduce legal risk
- practical advice provided on a timely basis
- where appropriate, innovative solutions
- but knowing when to say “no”

leading to a service which both adds value and provides value for money.

CHARGES

We believe it is not solely the amount of time spent but what is accomplished during that time which has value. We see the client paying for us solving the “crossword puzzle” – not just staring at it.

We are happy to provide estimates for particular jobs and to discuss different fee structures for different types of work.

“The ‘very responsive’ team at Slaughter and May has ‘excellent depth of knowledge’ coupled with ‘strong business understanding’”

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THE LEGAL 500, 2011.
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Trustee and other training

We provide, for a number of clients, bespoke training for scheme trustees, pensions managers and pensions administrators.

Recent training topics include:

- trustee knowledge and understanding requirements
- scheme funding and investments
- the legal framework for conducting fund valuations
- introduction to longevity swaps
- rules on conflicts of interests
- reduction in the annual allowance.

"Slaughter and May ... [has] a team of lawyers who are 'sensitive to the practical needs of solutions, and use language which is very easy to understand, clear and concise without being patronising at all. They clearly know their trade.'"

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THE LEGAL 500, 2011
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Other services

The following are some of the other services we provide to clients of the department, all of which are free of charge:

CLIENT NEWSLETTER

Our Employment/Employee Benefits and Pensions Bulletins are produced every two or three weeks. They keep clients up to date with changes in law and practice in the pensions, employment and employee benefits field.

OTHER CLIENT PUBLICATIONS

We produce a range of other publications on current legal issues, which are available to clients. Recent examples include publications on the Equality Act 2010, on longevity swaps for pension schemes and on the restriction of pensions tax relief.

CLIENT BRIEFING SESSIONS

We run a variety of client briefing sessions, teleconferences and seminars on changes in the law and practice as it applies in this area.

Recent feedback from clients includes:

"Excellent session...the role play format made it especially enjoyable"

"I find these sessions extremely helpful. The detail and materials (eg auto enrolment checklist) are extremely useful"

Contact partners

If you feel that we can be of any assistance to you, or you would like to discuss any of the matters mentioned in this brochure, please make contact with one of the Partners profiled below:



JONATHAN FENN
LONDON
T 020 7090 5025
E jonathan.fenn@slaughterandmay.com

Jonathan is the Head of our Pensions and Employment practice. He specialises in employee share schemes and pensions work. He also advises on employment matters.

His work in relation to share schemes includes advising listed and unlisted companies on share options, ESOPs and other bonus and employee incentive arrangements. He has wide experience of the share scheme aspects of corporate transactions, in particular public takeovers and of flotations ranging from privatisations through to technology companies.

He is a member of the Executive Committee of the Share Plan Lawyers (formerly the Share Scheme Lawyers Group).

Jonathan's work in relation to pensions includes the pensions aspects of corporate transactions. He has had wide experience of dealing with the Pensions Regulator. He is also involved in general pensions advisory work for a number of substantial pension schemes and companies and has had particular experience of investment management issues.

Jonathan is a member of the Association of Pension Lawyers and a contributor to 'Pensions Law and Practice with Precedents'. He is listed as a leading individual in the Employee Share Schemes and Pensions sections in *Chambers UK, 2012* and in the Employee Share Schemes section of *The Legal 500, 2011*.



PHILIP BENNETT

LONDON

T 020 7090 5402

E philip.bennett@slaughterandmay.com

Philip has been a partner in the Pensions and Employment group since 1986. He has a wide-ranging pension practice. His experience includes some of the largest scheme mergers and restructurings, repayments of surplus and management of deficit issues (including benefit design changes and consultations with employees and their representatives over these changes). Philip's experience also includes advising on unit linked investment policies for pension funds and bulk annuity policies (buy-ins and buy-outs) for pension funds, common investment funds, pension fund pooling vehicles and cross-border pension fund investment vehicles.

He has been heavily involved in advising on pension tax simplification issues flowing from the Finance Act 2004, debt on the employer issues under the Pensions Act 2004, Pensions Regulator clearance issues under the Pensions Act 2004 and "cross-border" activities under the Pensions Act 2004.

With the move to liability driven investment strategies for pension funds, he has also advised on the legal issues for pension funds arising out of currency forward contracts, interest rate swaps, inflation swaps, longevity swaps and other derivatives.

Philip is a past chair of the Steering Committee of the International Pension & Employee Benefit Lawyers Association and a member of the International Sub-Committee of the Association of Pension Lawyers. He is also a former member of the main Committee of the APL.

As Chairman of the APL's Legislative and Parliamentary Sub-Committee at the time, he was involved in writing the APL's submission to the Department of Social Security (as it then was) on the Pensions Act 1995 as it was going through Parliament, and in commenting to that Department on a number of the regulations under that Act.

Philip is the author of 'Pension Fund Surpluses', published by Longman. He has spoken at conferences both inside and outside the United Kingdom on pension topics. He was the winner of the category 'Outstanding Contribution' in the Pensions Management Provider Awards 2003.

Philip is listed as a leading individual in the Pensions section of *Chambers UK, 2012* and in *The Legal 500, 2011* under Pensions: Non-contentious.



CHARLES CAMERON

LONDON

T 020 7090 5086

E charles.cameron@slaughterandmay.com

Charles has a broad advisory and transactional practice covering pensions and employment.

His advisory practice covers trustees and sponsoring employers in relation to pension schemes, particularly in the industrial and manufacturing sectors.

Charles' relevant advisory experience covers funding/covenant negotiations, benefit change exercises and scheme mergers.

His transactional experience includes acting on many UK and multi-national public and private mergers and acquisitions, advising on both pensions and employment aspects.

Charles is Chairman of the Legislative & Parliamentary Subcommittee of the Association of Pension Lawyers which meets monthly to consider and comment on draft and new pensions legislation. He is also a contributor to Weinberg & Blank on Takeovers and Mergers. He is listed as a leading individual in the Pensions section of *Chambers UK, 2012*.



ROLAND DOUGHTY

LONDON

T 020 7090 5422

E roland.doughty@slaughterandmay.com

Roland's practice embraces all aspects of our Pension and Employment group's work but primarily employment and share scheme issues. His employment practice covers all areas of UK and EU law including advising on matters relating to senior executives, the application of TUPE in acquisitions and outsourcing, claims relating to discrimination, redundancies and public interest disclosures and collective consultation issues.

He also advises companies on share option matters, especially in the context of takeovers and transactions and is a member of the Share Plan Lawyers' Training Committee.

In relation to pensions Roland has advised, in particular, on the pensions aspects of mergers and acquisitions including clearance applications with the Pensions Regulator, claims by part-time workers for access to pension schemes, funding arrangements and the establishment of escrow accounts and on pension scheme mergers.

Roland is listed as a leading individual in the Employee Share Schemes, Pensions and Employment: Employer sections of *Chambers UK, 2012*.



SANDEEP MAUDGIL

LONDON

T 020 7090 5408

E sandeep.maudgil@slaughterandmay.com

Sandeep advises on a wide range of pensions and employment-related matters, both insofar as they affect mergers and acquisitions, and in the day-to-day ongoing context. He has extensive experience advising employers and trustees of a wide range of occupational pension schemes on all matters, including management of the issues arising from scheme funding deficits and recent changes in pensions legislation, as well as implementing the transition to more affordable benefit structures and full or partial buy-outs of pension scheme liabilities.

Sandeep is listed as a leading individual in the Pensions section of *Chambers UK, 2012* and in *The Legal 500, 2011* under Pensions: Non-contentious.

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