

Streamlining governance and enabling strategic decision-making for a US-parent UK pension plan

Client Context

The client is a global group headquartered in the United States. Its UK pension arrangements comprise two schemes: a large defined benefit (DB) scheme and a smaller hybrid scheme providing defined contribution (DC) benefits with a DB underpin; with a total assets under management of £3.5bn, and 17,000 members. Together, the schemes represent a significant, well-funded pension obligation with stakeholders across the US, Europe and the UK.

Historically, the schemes were overseen by a Corporate Trustee Board, made up of 9 Trustee Directors and four standing sub-committees. Investment strategy was driven by a global in-house investment team, and the sponsor maintained a long-term, paternalistic approach to member outcomes.

IGG was initially appointed as Professional Trustee Director, and Chair of Trustees, and subsequently led the transition to a Professional Corporate Sole Trustee (PCST) model.

Challenge

Despite strong funding and a supportive sponsor, governance had become increasingly burdensome. A large Trustee Board, layered committee structures and extensive adviser involvement resulted in long decision cycles, particularly on complex or strategic matters. At the same time, the schemes faced a number of significant corporate led projects requiring pace and coordination, alongside the imminent retirement of the long-standing UK Pensions Manager with no replacement planned.

In practice, the sponsor's experience was that the governance requirements in UK pensions were increasing, decisions took too long. Board size, committee layering resulted in some 24 meetings per year, and the need for repeated training and discussion created friction at a time when clarity, efficiency, agile decision making and cost discipline were becoming more important.

At a glance



Cost reductions
24% cost savings
 with a further 10% reduction post-PCST



Delivery
£250m
 asset transfer delivered



Time reduced
4 annual meetings
 reduced from 20+ meetings



Plan transition
1,800
 members successfully transitioned



Solution

IGG was appointed with a clear mandate to simplify governance, reduce friction and fees, and enable proportionate, effective decision-making while maintaining strong regulatory oversight.

Working with the sponsor and existing trustees, IGG redesigned the governance model, initially reducing the number of Trustee Directors and sub-committees, thereafter, leading the transition from a large Corporate Trustee Board to a Professional Corporate Sole Trustee (PCST) structure. This replaced a complex, committee-heavy model with clearer accountability and streamlined decision pathways.

The PCST is led by two IGG Trustee Directors, supported by a third director providing governance support and a centralised trustee secretariat. Responsibilities are clearly delineated across strategy, operations, governance and regulatory oversight.

Alongside structural change, IGG focused on improving how decisions were prepared and taken. Agendas were disciplined, adviser involvement was reshaped to focus on areas of genuine value-add, and sponsor engagement was structured to ensure early visibility of upcoming decisions – with a focus on the strategic, rather than the operational.



Result

The redesigned governance model delivered a step-change in how the schemes operated in practice.

The governance burden was materially reduced. Trustee meetings moved from four two-day sessions per year, supported by multiple quarterly sub-committees, to four half-day meetings under the PCST model, with committees subsumed into business-as-usual governance. Adviser attendance was limited to situations where specialist input was required. As a result:

- Decision-making became faster and more focused
- Trustee and corporate time was redirected towards strategic matters
- Adviser input supported decisions rather than driving them

Cost discipline improved alongside governance simplification. By reviewing adviser engagement, meeting cadence and scope of work, the Trustee achieved:

- A 24% reduction in adviser spend during IGG's first three years as co-trustee
- A further 10% reduction following the transition to PCST

The simplified governance structure also enabled delivery of multiple complex projects, including GMP equalisation, final salary link corrections, pension benefit review and closure of the DB plan, simplification of hybrid benefits, with a full scheme buy-in of the DB element, and support through a major corporate spin-out involving the separation of approximately 1,800 members and £250m of assets.

Throughout, IGG ensured continuity, proportionate oversight and clear engagement with sponsor teams, enabling complex change to be delivered without unnecessary delay or disruption.

IGG Delivered



Governance burden reduced



Faster and more focused decision-making



Reduced meeting cadence



Cost-saving on adviser spend

Why This Matters for US-Parent Sponsors of UK DB Plans

US-parent sponsors of UK pension plans operate within a governance framework that sits structurally outside corporate management.

Financial exposure - funding volatility, surplus position and transaction impact - rests on the corporate balance sheet. Decision-making authority, however, sits with an independent trustee board operating under UK fiduciary and regulatory obligations.

Without deliberate structure, complexity accumulates. Decision-making becomes layered, adviser involvement expands and corporate visibility narrows. Funding strength alone does not deliver strategic flexibility.



IGG's role

Our focus is to ensure that UK pension governance operates with clarity, predictability and disciplined execution, aligned to corporate priorities while fully preserving fiduciary integrity.

In practice, this includes:

- ✓ Simplifying layered trustee structures
- ✓ Clarifying decision rights and escalation pathways
- ✓ Introducing proportionate meeting cadence
- ✓ Aligning trustee processes with corporate reporting frameworks
- ✓ Managing adviser cost with discipline
- ✓ Establishing defined oversight for surplus and long-term risk strategy

The result is a governance framework that is proportionate, predictable and capable of supporting corporate objectives.



The value

For US-parent sponsors, funding level is only one dimension of pension exposure. What matters equally is the clarity and predictability of the governance framework through which that exposure is managed.

Where governance is proportionate and clearly defined:

- Decisions progress within agreed timeframes
- Corporate time commitment reduces
- Adviser cost is transparent and controlled
- Surplus and long-term strategy are governed within structured, accountable frameworks

The outcome is greater confidence that UK pension oversight operates with clarity and discipline, supporting long-term capital planning and corporate objectives.



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