



## **PIC COMPLETES £4.3 BILLION FULL BUY-IN OF THE ROLLS-ROYCE UK PENSION FUND**

London, 11 August 2025 – Pension Insurance Corporation plc (“PIC”), a specialist insurer of defined benefit pension schemes, has concluded a £4.3 billion buy-in with the Rolls-Royce UK Pension Fund (“the Fund”). The transaction covers the Fund’s total remaining liabilities, comprising the pensions of 36,000 people - 15,000 pensioners and 21,000 deferred members.

Rolls-Royce PLC develops, delivers and services complex power and propulsion solutions for safety-critical applications in the air, at sea and on land. It has a presence in 48 countries and customers in over a hundred more, including airlines and aircraft leasing companies, armed forces and navies, and marine and industrial customers.

A key focus for the Trustee as part of the transaction was partnering with an insurance company with the same commitment to very high levels of customer care and support which has been at the heart of the Trustee’s strategy in running the Fund.

PIC is recognised by the Institute of Customer Service (“ICS”) as one of the highest performing customer service providers in the UK. This includes the ICS’s ServiceMark with Distinction, held since 2017, as well as our ISO accreditation and BSI Kitemark for inclusive services for customers with vulnerable characteristics. To date, PIC has made total pension payments to our policyholders of £16.2 billion, with a customer satisfaction rate of 99.3%. During 2024, PIC made pension payments of £2.2 billion.

Liz Airey, Chair of Trustees, Rolls-Royce UK Pension Fund, said: “We have invested significant time and effort over a number of years to provide our members with exceptional customer service. It was critical for us that we selected an insurer to secure our members’ pensions which is able to continue this. We are really delighted that PIC, which has a long track record of excellence in customer service, brought us such a strong proposition. We feel our members are in safe hands.”

Helen McCabe, CFO, Rolls-Royce, said: “This is a win-win for all our stakeholders. We are proud to have been able to fully fund and secure the pension promises made to colleagues, former colleagues and their families. This deal is also another step on our journey towards simplifying Rolls-Royce.”

Mitul Magudia, Chief Origination Officer at PIC, said: “It has been a pleasure working on this innovative transaction with the Trustees and their advisers. They have developed an excellent customer experience offering for their members over the past few years. Ultimately the transaction hinged on who they felt would be best able to continue to provide the same levels of customer care and consideration. We were delighted to be selected and proud that the Trustees have entrusted us with helping to continue to deliver this service to the members.

“Following the announcement of our acquisition by Athora, which is subject to regulatory approval, we expect to have strong appetite to complete many more ground-breaking transactions like this in the future.”

Michelle Wright, LCP Partner, Lead Transaction Adviser, said: “This ground-breaking transaction epitomises what it means to put pension scheme members at the heart of decision making. From start to finish, we have been guided by the Trustee’s clear “member-first” principles, which have significantly raised the bar for member-centric insurance solutions. We are delighted to have been part of such an innovative, landmark transaction, which paves the way for other large pension schemes seeking a best-in-class solution for their members.”

James Maggs, Partner, Mercer, said: “This transaction marks the culmination of a decades-long journey of steady funding improvements. The key components of this finely-tuned engine - reliable investment growth, meticulous risk management, and timely monitoring - have driven the Fund forward with precision and resilience. As investment advisor and Scheme Actuary, Mercer is proud to have supported the Trustee throughout this journey, including helping it land smoothly at its final destination: one of the largest bulk annuity transactions that sets a new standard in prioritising the member experience.”

LCP acted as lead transaction adviser to the Trustees. The Fund received legal advice from Linklaters. Mercer acted as scheme actuary and investment adviser. PIC received legal advice from Addleshaw Goddard as their main adviser, with support from Herbert Smith Freehills Kramer on aspects of the transaction.

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### **About PIC**

The purpose of PIC is to pay the pensions of its current and future policyholders. PIC provides secure retirement incomes through comprehensive risk management and excellence in asset and liability management, as well as exceptional customer service. At year end 2024, PIC had insured 400,000 pension scheme members and had a portfolio of £50.9 billion, accumulated through the provision of tailored pension insurance buyouts and buy-ins to the trustees and sponsors of UK defined benefit pension schemes. PIC has made total pension

payments of £16.2 billion to its policyholders and has invested £13.8 billion in UK private investments, including housing and infrastructure, creating considerable social value. Clients include FTSE 100 companies, multinationals and the public sector. PIC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN 454345). For further information please visit [www.pensioncorporation.com](http://www.pensioncorporation.com)