

## Transfer Values : Uses and Abuses

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### Scheme Specific : Some Options

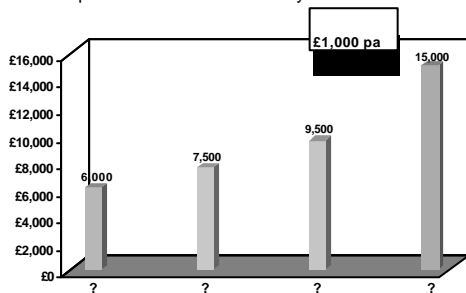
- It means whatever I say it means
- It means whatever I'm told it means
- It's what I think the scheme may need
- It's what I think you need
- It's the replacement cost
- It's an asset share
- It's what I think most people do

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### Scheme Specific : Pick A Number - Any Number



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### Scheme Specific : Should We Care?

- Employers
- Trustees
- Members
- Shareholders
- Profession
- Government

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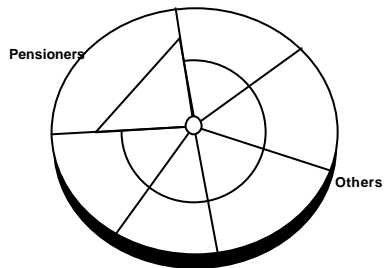
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### Scheme Specific : Funding and Asset Shares



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### Scheme Specific - Options

- Cash commutation
- Early retirement
- Discretions

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## Bulk Transfers : Context

- An end to pass the parcel?
- Seller: opportunity for “cheap” settlement
- Buyer: opportunity for clean sheet
- Parcel: opportunity to choose - may be

## Bulk Transfer : Choices

Sponsor A

Covenant

+

Promise

+

Collateral

≈

Sponsor B

Covenant

+

Promise

+

Collateral

## Bulk Transfer : Choices

Trustee A

Before TV

+

+

≈

Trustee A

After TV

+

+

## Transfers, Design and Communication

### ■ Bond based transfer values

#### mean

### ■ DB plan is, for the member, a DC plan invested in bonds with:

- age-related contributions
- possibly some longevity protection
- possibly salary-related windfalls

#### means

### ■ Why not design and/or communicate the plan in this way?

## Transfer Values Are About

- Costing
- Funding/Financing
- Public Perceptions
- Public Policy
- Security
- Design
- Communication