

Clerical Medical withdrawal from DB Scheme market

Clerical Medical have announced that they will be withdrawing from the final salary pension products market by mid 2028. This means that the Clerical Medical Group Pension Contract will end and pension scheme trustees will need to make alternative arrangements for the actuarial and administration services currently provided as part of this contract. This affects all of their insured schemes in the UK and the Crown Dependencies. Clerical Medical have suggested that trustees inform them of their plans by September 2026.

Clerical Medical have identified separate major UK actuarial and pensions administration firms as possible alternative service providers. However, trustees and employers of the schemes affected now need to give careful consideration to the potential impact on their scheme. For good governance, this should include consideration of alternative providers, including those with expertise and experience in dealing with schemes based in Jersey or Guernsey.

This may also prove to be an opportune time to review a company's pension provision more generally. Are any other changes desirable, such as reviewing risk management, investment strategy, end game (including buy-out) strategy or considering whether there is a more sustainable approach to pension provision? In this context a specialist advisor, such as BWCI, with experience and expertise in the relevant jurisdictions is likely to be of most assistance.

For further information and advice on this issue please contact John Martin (email john.martin@bwcigroup.com)

