INSURANCE

Pension Consulting Services

The Pension Consulting Services (PCS) group of FTI Consulting is distinguished by its independence, providing private, public and not-for-profit sector clients and their advisors with objective second opinions, strategies and services. We help guide decisions, optimize performance and ensure compliance for meeting current and long-term objectives of retirement and employee benefit plans, addressing critical issues such as de-risking/liability risk management and fiduciary responsibility. PCS experts are independent industry leaders with deep and broad business and technical experience and expertise in addressing the requirements, challenges and opportunities of modern retirement and employee benefit plans.

Addressing the Challenges and Opportunities

Achieving and sustaining optimum performance of retirement and employee benefit plans requires developing and executing coherent strategies that are in sync with current and long term business performance objectives, often in complex and changing operating environments, including investment markets, legacy issues, cost structures, and legislation such as ERISA in the United States.

Such strategies require a thorough understanding of the risks and opportunities inherent within the business and its operating environment, taking into account the influences of funding mechanisms, legal and regulatory requirements, business performance objectives, and retirement and employee benefit plan responsibilities.

Our pension consultants provide services through five major practice segments – Strategic Financial Assessment and Risk Analysis, Independent Compliance, Performance and Actuarial Audits, Restructuring, Arbitration and Litigation Support, and Strategic Communications.

How PCS Can Help

PCS has a track record of working with boards and senior executives to help them prepare for and address business risk and opportunities of retirement and employee benefit plans. We also understand that each client is dealing with a different set of circumstances in their retirement and employee benefit plans and in their business.

With years of practical experience and expertise, our experts are able to quickly grasp the unique circumstances and requirements of each client, and develop strategies that mitigate risks and take advantage of opportunities based on those circumstances and the marketplace environment.

Our approach is transparent, non-disruptive and collaborative, designed to leverage client resources to the extent practical. We assist clients with improving the quality of data and information upon which to base our assessments and recommendations. In addition, our process and strategic recommendations provide our clients with options that enable them to tailor execution to their individual needs and circumstances.

Client Benefits Realized

- Clear understanding of the specific options available for retirement and employee benefit plans and their financial and operational impact
- Ability to minimize and mitigate risks and seize opportunities that exist
- Better control of funding volatility issues
- Reduced costs
- Improved compliance
- Protection of brand during transitional situations through strategic communication with stakeholders – clients/customers, advisors, investors, employees, trustees, regulators, and trading partners

Representative Pension Engagements and Services

- Actuarial services
- Annuity provider assessment and recommendations (DOL Interpretative Bulletin 95-1)
- Asset-liability management
- Compliance audits: professional, regulatory, legislative, ERISA
- De-risking (right-risking) strategies and liability risk management
- Dynamic asset allocation / glide path strategy development
- Fiduciary matters / fiduciary litigation risk mitigation, fee analysis
- Financing strategies
- Investment portfolio assessment
- IRS/DOL Audit Support
- Liability-Driven Investing
- M&A advisory: pre and post-transaction
- Monitoring and measurement of hedging effectiveness
- Multinational needs assessment
- Plan “end game” options and strategy
- Plan administration: assessment, best practices, monitoring and reporting
- Plan design, strategy models, financial impacts and risk/reward analysis
- Professional best practices and malpractice defense
- Retirement income solutions, including buy-ins and buy-outs
- Stakeholder strategic communications
- Tax strategies
- Vendor management: RFP development, proposal review, and performance and fee monitoring

Strategic Financial Assessment and Risk Analysis

Our strategic financial assessment and risk analysis services address a variety of matters, including:

- Actuarial assumptions review and analysis
- Asset-liability management
- Compliance and fiduciary matters / fiduciary litigation risk mitigation
- Dynamic asset allocation / glide path strategies
- Financing strategies
- Measurement of hedging effectiveness
- Pension plan "end game" strategies
- Pension risk assessment, de-risking and liability risk management strategies
- Pension strategy, design and modeling
- Present value calculations, development and review
- Retirement income solutions, including buy-ins/buy-outs

Independent Compliance, Performance and Actuarial Audits

We provide independent audits of retirement and employee benefit plan compliance with applicable laws, regulations, standards, procedures and contracts; and sponsor policies, standards, processes and controls. Our audits include assessing professional best practices, assessing the quality and integrity of retirement and employee benefit plan data, testing and analysis of transactions, accounting and reporting, interviewing key personnel, as well as development of recommendations related to correcting any non-compliance issues or performance deficiencies.

Restructuring Analysis

Our experience in restructuring pensions includes:

- Analysis to support decisions to maintain or terminate sponsors' pension plans, including calculation of the cash flow and income statement impact on the plan sponsor and its controlled group
- Analysis of the impact on creditor recoveries of terminating the pension plan, specifically the trade-off associated with eliminating the future pension funding obligation in exchange for a pension claim and the payment of the DRA premiums (distressed termination premiums)
- Analysis of the potential priority of any claims in a Chapter 11, both statutorily and structurally
- Preparation of fully-integrated and flexible business plan models enabling timely scenario analysis and the ability to measure downside risk associated with the plan sponsor's business plan
- Analysis of complex legal structures at the legal entity level to identify control group members that may provide the PBGC with a structural priority in terms of recovery in a pension plan termination
- Evaluation of whether a distressed termination satisfies PBGC criteria or if an involuntary termination by the PBGC is warranted

Arbitration and Litigation Support

Our credentialed experts have business, management and technical experience within the industry to deliver services that include investigations, depositions, e-discovery, forensic accounting, data and fact analysis, case assessment, reasonableness of actuarial assumptions, review and performance of present value calculations, damage analysis, presentations, reporting, and serving as expert witnesses.

Strategic Communications

We provide independent communications advice and services addressing the needs of plan sponsors, trustees, beneficiaries, regulators, other stakeholders, and the media in the normal course of business and in crisis situations. We also develop communications strategies, financial and corporate communications, and provide public affairs services and creative services.

Paul Braithwaite
+1 212-499-3659
paul.braithwaite@fticonsulting.com

Steve Rosen
+1 856-427-6834
stephen.rosen@fticonsulting.com

Jeffrey Leonard
+1 513 403 4492
Jeffrey.leonard@fticonsulting.com

EXPERTS WITH IMPACT

About FTI Consulting

FTI Consulting, Inc. is an independent global business advisory firm, dedicated to helping organizations manage change and mitigate risk: financial, legal, operational, political & regulatory, reputational and transactional. FTI Consulting professionals, located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges and opportunities. Connect with us on Twitter (@FTIConsulting), Facebook and LinkedIn.

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