

# Simple, good and secure

The Willis Towers Watson Support Fund



# Introduction

## Secure external funding of pension plans

The Willis Towers Watson Support Fund offers medium-sized companies and subsidiaries of international groups a simple way to ensure external and secure funding for their pension liabilities.

It allows sponsoring companies to outsource investment and biometric risks, gain major tax and accounting advantages, keep administration slim and ensure transparent costing.

This enables organisations to offer their employees attractive and soundly funded pension benefits, which form a powerful argument in the competition for specialists and executives. After all, many employees today consider occupational pensions to be their second most important source of income in old age, and younger employees in particular want their employers to offer competitive retirement benefits.

## A competent partner is your best choice

As experienced consultants for insurance solutions in the area of retirement, we have the necessary tax and labour law know-how, financial expertise and technical infrastructure to be a competent, reliable and flexible partner for all sponsoring companies of our Support Fund.

This allows our clients to focus on their core business rather than having to invest time and money in internal IT systems and expertise. This advantage is becoming ever more important as pension plans have to comply with growing regulatory requirements and the pension landscapes of many companies are becoming increasingly complex.

## The Willis Towers Watson Support Fund: a good solution

As a fully reinsured solution for retirement provision, the Willis Towers Watson Support Fund combines the advantages of external funding with those of insurance-based benefits. For this purpose, insurance policies are concluded for the sponsoring companies' employees who 'match' the pension plan in type and value. We offer each of our clients a solution that is geared to their individual needs.

Our clients also appreciate the efficient management the Willis Towers Watson Support Fund ensures: all they have to do is provide the agreed allocations – and we take care of all business, legal and technical issues. This makes external funding of pension plans simple and secure.

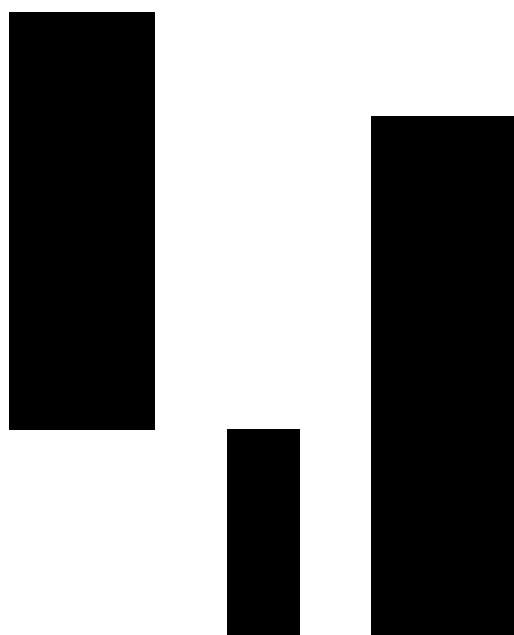
# Advantages

## Reliable, attractive and well protected

The Willis Towers Watson Support Fund offers decisive advantages, such as the guarantee of a fully reinsured solution: all funding and pension risks are transferred to a suitable insurance company. This benefits the sponsoring companies as well as their employees: after all, what matters to both sides is that the funds employed are safely invested and all promised benefits are reliably paid.

Our offer also stands for flexibility: the Willis Towers Watson Support Fund can be used to finance a great variety of pension plans, depending on our clients' needs and objectives. Ongoing contribution payments are exempt from taxes and social security contributions for organisations and employees (under deferred compensation arrangements, the exemption from social security contributions is limited to 4% of the social security contribution ceiling).

The invested funds can be protected in such a manner that they are generally acknowledged as funded plan assets in accordance with international accounting standards and thus work to reduce the balance sheet.



## Step by step to a full solution

- **Advice:** Our Support Fund is excellently suited, for instance, to funding modern, contribution-based plans, which can be combined with employee contributions under deferred compensation arrangements; with our comprehensive experience, we can advise organisations on the planned introduction or redesign of pension plans by means of a support fund solution.
- **Conception:** With an eye on your organisation's requirements, we can strike a perfect balance between plan design and plan funding.
- **Product/provider selection:** As neutral advisers, we can also assist you in selecting from the broad market offering the insurance products and providers that best suit your needs.
- **Implementation/set-up:** We will work out the contractual basis required under labour law. In co-ordination with the product provider, we will ensure that the design of the insurance contracts fits your needs.
- **Support fund administration:** The pension plan will be fully managed and administered by Willis Towers Watson.
- **Entitlement administration:** We will take over all administrative processes and services. And this is right on trend: more and more organisations are outsourcing their administrative activities because pension administration is becoming more complex and has already reached a level many organisations are either unable, or unwilling, to manage with their own resources.

Variable pension plan designs and in particular the growing number of statutory requirements, such as the new legislation on pension rights adjustments, as well as burdensome reporting obligations give rise to a high level of complexity.

At the same time, employers need to make pension claims transparent and comprehensible to their employees. Only if the employees know the value of their pension benefits will they appreciate it as part of their total compensation.

And lastly, the growing complexity of pension administration also entails higher technical system requirements.

## Exemplary services

Our service offering is efficient, transparent, of high quality and always up to date with regulatory requirements. It comprises, for instance:

- Inclusion of newly registered employees.
- Calculation of pension benefits and contributions.
- Preparation of benefit statements.
- Account administration and data maintenance.
- Calculation of vested entitlements upon premature termination.
- Calculation of the assessment base for premiums payable to Pensions-Sicherungs-Verein aG.
- Verification of compliance with the eligibility requirements on the occurrence of a pensionable event.

Sponsoring companies do not have to invest in their own resources but can use our transparently priced services. As a rule, we agree on an annual administration fee with our clients that depends on the number of persons included.

## Cost-efficiency is key – and so is effectiveness

Employees can also reap attractive advantages:

- They can obtain attractive pension benefits through the Willis Towers Watson Support Fund.
- Their pension benefits are only subject to taxes and social security contributions when they are drawn.
- Transparent information, such as annual benefit statements, keeps them up to date about their retirement provision.

On request, we can also support our clients by providing their employees with legally secure information about the selected solution, whether in person – at information meetings or in one-to-one talks – or through media (in printed brochures or electronic form).

The Willis Towers Watson Support Fund thus accommodates the interests of organisations as well as the wishes of employees who find themselves increasingly sought after. It is thus a secure basis for a cost-efficient pension plan that is simultaneously a powerful HR tool.

### Step by step – simple, good and secure



# Membership

## A versatile vehicle

The Willis Towers Watson Support Fund is an independent pension vehicle and can be used, for instance, to:

- Set up deferred compensation systems.
- Implement matched-contribution plans.
- Provide for shareholders/managing directors, executives and other groups who are either not covered or only partially covered by statutory insolvency protection.
- Achieve desired compliance with international accounting standards.

## A few simple steps

It is quick and easy for organisations to join our Support Fund; also, when it comes to protecting the invested funds as plan assets and reporting them accordingly:

- The organisation becomes a sponsor of our reinsured Support Fund, which is established in the form of a registered association.
- We co-ordinate a pension plan with the sponsor organisation from which our Support Fund's pension benefits are derived.
- To finance the pension benefits, we generally conclude reinsurance policies that match the type and value of the pension benefits. As independent consultants, we can conduct a qualified product and provider comparison for our clients (see box 'Tailor-made reinsurance').
- The sponsor organisation transfers specified allocations to our Support Fund.
- The Support Fund passes the allocations on to the reinsurer as premium payments.
- In the pensionable event, the benefits flow from the insurance via our Support Fund and the sponsor organisation to the beneficiary after deduction of taxes and social security contributions.

In a nutshell: a perfect solution all round.

## Tailor-made reinsurance

As independent consultants, we can also assist our clients in the implementation process when it comes to choosing a suitable reinsurance solution on the market. Our qualified product and provider comparison comprises five phases:

- (1) First we clarify the organisation's specific situation and objectives.
- (2) Then we prepare a list of requirements with regard to benefits, sector-specific needs, staff structure, contractual provisions, administration services, profitability ratios and ratings from rating agencies.
- (3) According to the defined requirements profile, we select products or product groups and compile a shortlist of suitable providers, taking into account our client's preferences and previous tender results.
- (4) We obtain comparative offers from the selected providers, evaluate them and subsequently discuss and assess them in detail with our client.
- (5) Once our client has selected a provider, we examine and handle all formal details.

# Summary

## In good hands

Occupational pensions are becoming increasingly important in the race to win and retain the right employees. The Willis Towers Watson Support Fund offers you a simple and secure way to fund attractive benefits externally. In this way, a convincing cost-benefit ratio can even be achieved for smaller workforces.

From comprehensive advice via an independent selection of suitable products and providers to reliable administration of the Support Fund plan, we offer organisations all the services they need to profit from the advantages of insurance-based external funding.

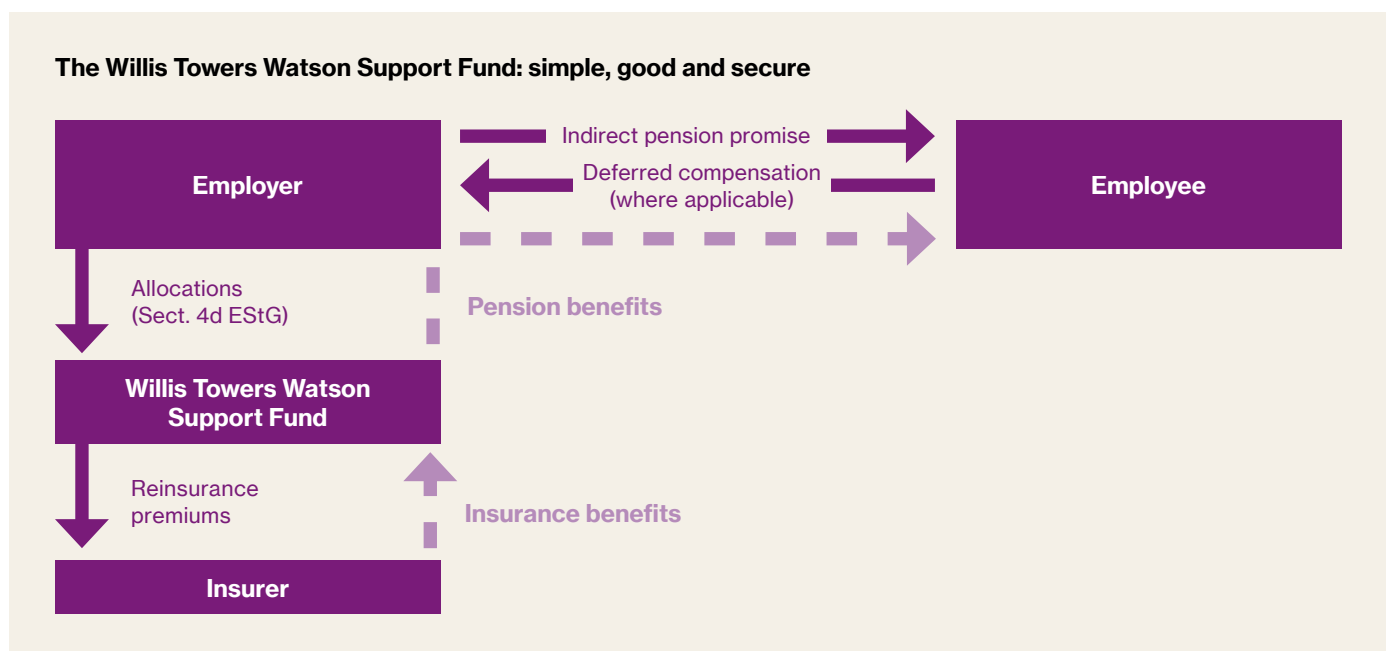
In particular, these advantages include:

- Transfer of investment risk and biometric risk to an insurer.
- Exemption from taxes and social security contributions for ongoing allocations.
- Ability to report all invested funds as plan assets on an insolvency-protected basis.
- More time and resources for the core business.

## Broad perspective creates added value

As a global leader in HR management and benefits consulting, we can also help organisations design their pension plans so that they are cost-effective and simultaneously fulfil the requirements of high-performing employees, thus becoming an appreciated part of total compensation.

Please contact us by telephone or email. We will be glad to discuss in detail the services we can offer you with regard to the design, funding and administration of your retirement programme and let you know how you can best benefit from our service offering.







### Your contacts

We will be glad to advise you on how you can best benefit from our Support Fund:

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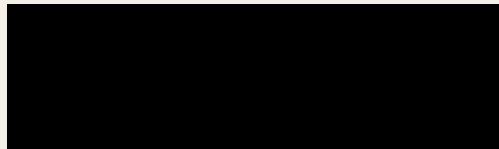
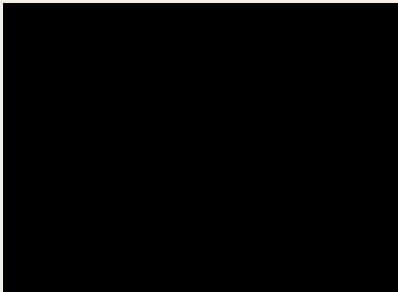
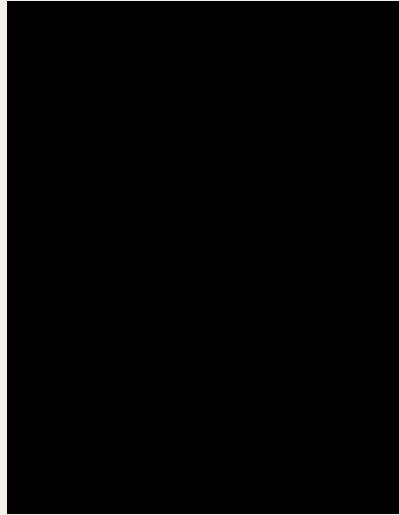
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## About Willis Towers Watson

Willis Towers Watson (NASDAQ: WLTW) is a leading global advisory, broking and solutions company that helps clients around the world turn risk into a path for growth. With roots dating to 1828, Willis Towers Watson has 39,000 employees in more than 120 countries. We design and deliver solutions that manage risk, optimize benefits, cultivate talent, and expand the power of capital to protect and strengthen institutions and individuals. Our unique perspective allows us to see the critical intersections between talent, assets and ideas – the dynamic formula that drives business performance. Together, we unlock potential. Learn more at [willistowerswatson.com](http://willistowerswatson.com).

