



## VIEWPOINT

# From data to deal

### How pension administrators are pivotal in buy-out readiness

As defined benefit (DB) schemes mature and de-risking accelerates, buy-out transactions are becoming the destination of choice for many trustees and sponsors. With bulk annuity market capacity growing and insurer appetite remaining strong – particularly for well-prepared schemes – the spotlight is shifting toward operational readiness. For schemes aiming to transact efficiently and on favourable terms, the role of the pension administrator is no longer behind the scenes. It is front and centre.

Operational readiness has become an increasingly critical factor in achieving successful de-risking transactions.

### Administrators as strategic enablers

Traditionally seen as service providers, today's leading pension administrators are transforming into strategic partners, playing a crucial role in buy-out preparation. Their unique position – embedded in the day-to-day operation of schemes and with access to the deepest layers of member data – makes them indispensable in smoothing the path to a successful transaction.

## Key areas where administrators deliver value include:

1

### Data cleanse and audit

Insurers price risk. Inaccurate or incomplete member data creates uncertainty, which translates into higher pricing or withdrawal of interest altogether. Good administrators proactively cleanse data, identify gaps, and work with trustees to reconstruct historical records. This isn't just about readiness – it's about value. Clean data reduces insurer contingencies and can shave significant basis points off the premium.

2

### Benefit specification and reconciliation

Insurers need clarity and precision on the benefits they are taking on. This often requires schemes to develop a comprehensive and insurer-ready benefit specification, reconciled against what's been administered. This technical but crucial exercise depends heavily on administration teams – especially those with deep scheme knowledge and robust processes – to resolve anomalies and align records.

3

### Member experience during transition

Buy-out processes can span months and include intense due diligence, benefit verification, and eventual data handover to the insurer. Throughout this period, member queries don't stop – and neither should service levels. The best administrators maintain continuity, manage communications, and even help prepare members for life with an insurer. It's about reducing noise, maintaining confidence, and demonstrating care.

4

### Digital Readiness and Automation

Insurers are increasingly demanding digital-first onboarding and administration. Schemes with administrators who can provide real-time data access, electronic mortality and marital status checks, automated calculations, and seamless data extracts have a competitive edge. Modern administration platforms – particularly those aligned with bulk annuity processes – can unlock faster transaction timelines and smoother transitions.

The buy-out market is competitive, and not just among schemes – there is a limit to market capacity and insurers can afford to be selective. This means schemes that present themselves and their data as well-prepared, clean, and low-friction get priority. Early engagement with your administrator to develop a buy-out readiness roadmap is no longer optional; it's essential.

Administrators with proven experience of preparing schemes for buy-out bring not just capability, but confidence. They can speak the language of insurers, anticipate due diligence requirements, and identify blockers before they become barriers.

At MUFG Retirement Solutions we have the skills and resources available to support clients with their de-risking objectives. We recently supported a client with a £165 million buy-in transaction and from what we are seeing in 2025 we expect this activity to continue at the high volumes the market has recently been witnessing.

## A call to trustees and sponsors

### If a buy-out is your endgame, involve your administrator now. Ask the hard questions:

- How clean is our data, really?
- Can we produce an insurer-ready benefit specification?
- Do we have the capacity to support a transaction while maintaining service?
- Is our admin platform fit for insurer handover?

The difference between a good deal and a great often lies in the quality of the administration. As the market accelerates, trustees and sponsors should be looking not just for actuarial and legal advice, but for administration leadership.

Because in the journey from scheme to settlement, the administrator is your engine room.

At MUFG Retirement Solutions we work closely with our clients to successfully navigate de-risking solutions and other complex projects, to ensure schemes and their members enjoy improved outcomes.

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