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Pru
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Prudential Corporate Pension Solutions

An industry first: BPA Plus

Unlocking greater value whilst maintaining robust security for pension schemes

In today's Bulk Purchase Annuity (BPA) market, price is no longer the sole priority for trustees and sponsors. The focus has shifted to member experience – prioritising security, enabling greater flexibility, and unlocking new opportunities for enhanced value.

With this in mind, **we've launched a new innovative solution – our Bulk Purchase Annuity Plus (BPA Plus)** putting the size and strength of The Prudential Assurance Company's ('Prudential') With-Profits Fund to work.

BPA Plus at a glance:

- Prudential's refreshed BPA proposition is powered by the scale and financial strength of our £138 billion* With-Profits Fund – the largest of its kind in the UK.
- This innovative solution guarantees insured benefits for policyholders, just like a traditional BPA proposition, but with the added potential for policyholders to share in any surplus arising from favourable credit experience on a defined pool of assets, through the payment of discretionary annual cash bonuses**.
- Within any other BPA, this surplus is wholly retained by the insurer.
- During buy-in, trustees may use any bonuses payable as they see fit, just like any other investment return, but once the scheme moves to buyout, these are paid directly to scheme members.

* Source: Prudential Half Year results, as at 30 June 2026.

** Any discretionary bonus is determined at the complete discretion of Prudential, based on the performance of a defined pool of assets backing the BPA Plus policies and similar business.

*** Source: Prudential, as at 30 June 2026.

Key features

Guaranteed security: All insured scheme benefits are fully guaranteed by Prudential in exactly the same way as a traditional BPA. Insured benefits are paid in full regardless of credit experience.

Enhanced member outcomes through bonus potential: Policyholders may share in surplus arising from favourable credit experience through the payment of annual discretionary bonuses.

Financial strength: Backed by our £138bn With-Profits Fund, with its £7.7bn surplus and strong regulatory solvence ratio of 375%*. Prudential's strong balance sheet has insurer financial strength ratings of A+ (S&P), A1 (Moody's) and AA- (Fitch); some of the strongest in the bulk annuity market***.

Flexibility: During buy-in, trustees retain full discretion over how any bonuses are used. Following buyout, any bonuses are paid directly to scheme members.

Competitive pricing: The scale and diversified risk profile within the With-Profits Fund enables access to a broad range of attractive long-term assets and allows us to manage credit risk more efficiently – advantages that are unique due to our structure.

In buy-in:

BPA Plus

Guaranteed insured benefits

Discretionary annual cash bonus in respect of in-payment beneficiaries

Pension scheme

In buyout:

BPA Plus

Guaranteed insured benefits

Discretionary annual cash bonus in respect of in-payment beneficiaries

In-payment beneficiaries

How do bonuses work in practice?

Bonus rates are reviewed each year and are set by the Prudential Board, advised by the With-Profits Actuary and With-Profits Committee.

Discretionary bonus rates are declared annually, intended to broadly reflect cumulative credit experience from when the policy was executed to the 31st December of the year prior to declaration.

When cumulative credit experience is favourable, bonuses may be granted although, in certain circumstances, some surplus may be held back, for example, to support the strength of the With-Profits Fund. The value of the discretionary bonus, if any, may vary from year to year and is not known in advance (although is expected to be small at first, building over time).

If cumulative credit experience is less favourable, bonuses may be lower relative to the previous year, or not paid in a given year.

No bonuses are paid during deferment, but when members retire, their bonuses (paid to the scheme during buy-in or policyholders during buyout) will broadly reflect cumulative credit experience from when the policy was executed, including the years spent in deferment.

Most exit benefits payable (e.g. transfer values, lump sum death benefits) will reflect the bonus rate (if any) declared prior to the point of exit, but after exit policyholders will not be eligible to receive future bonuses.

Following the death of a member, any dependant will become eligible for discretionary bonus payments in the following years.

We take a solutions-driven, flexible and collaborative approach, welcoming complex cases and tailoring our support to each scheme's needs.

If you'd like to discuss how BPA Plus can deliver greater value and security for you and your scheme members, please don't hesitate to get in touch.

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For more information on our pension de-risking solutions, please visit **mandg.com/solutions**



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