



Ireland's Deferred Bulk Annuities

A new opportunity for many Irish pension schemes

May 2026

Irish market development

Irish Life Insurance plc have recently launched deferred bulk annuity product, and we expect further insurers will follow suit. This is a significant development that provides Trustees with greater flexibility when considering long-term de-risking options and end-game strategy for their DB pension schemes.

High interest rates and potentially attractive annuity pricing means Trustees should be aware of the impact for their schemes.

! Call to action

Review the table to the right for your scheme.

Who is this most relevant for?

The addition of a deferred bulk annuity product means bulk annuities are no longer exclusively for very mature schemes dominated by pensioners. These changes are most relevant for those pension schemes that are:

- + **Well-funded.** A strong funding position makes it easier to engage with insurers and manage pricing / timing risks as part of a long-term plan.
- + **Closed to accrual** or limited future accrual. Insurers are not in a position to secure future benefits.
- + **Have a long-term objective to wind up the scheme.** Trustees and sponsors have a clear strategic objective to ultimately transact with an insurer and, in due course, wind up the pension scheme.

X	✓	✓
X	X	✓
X	X	✓
No review currently required	Recommend bulk annuity feasibility exercise	Strongly recommend bulk annuity feasibility exercise

What has changed?

For Defined Benefit (“DB”) pension schemes, Trustees may agree to purchase a bulk annuity policy from an insurer, rather than continue paying benefits directly from the scheme. In exchange for a premium, the insurer pays members’ pensions and takes on the associated financial and demographic risks. To date, bulk annuity activity in the Irish market has been limited to pensioner-only transactions. The launch of a deferred annuity product now allows deferred members to secure their future benefit payments and has the potential to accelerate the period to ultimate settlement.

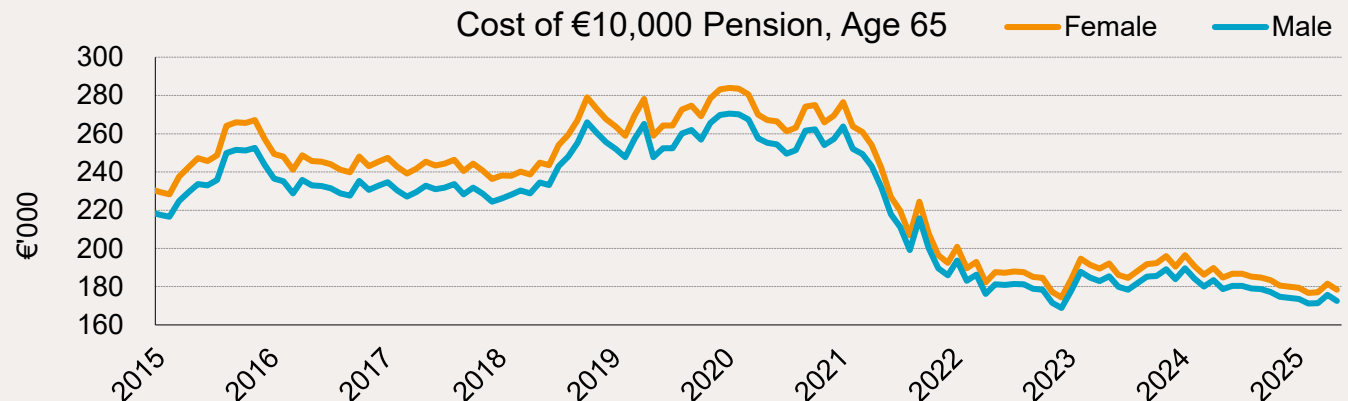
The availability of a bulk annuity product for deferred as well as immediate benefits is a potential game changer for many pension schemes.

Recommended steps

- 1 **Assess bulk annuity feasibility**
Determine at a high level the likely impact of a bulk annuity on the scheme. LCP have engaged with the insurers to understand better the current pricing basis for immediate and deferred annuities. We can therefore provide quickly a high-level estimate of the likely price of securing benefits through a bulk annuity product. Such an assessment can help decide whether a bulk annuity exercise is affordable and appropriate.
- 2 **Prepare for bulk annuity**
If bulk annuity is deemed worthy of further consideration, it would be important to engage with the insurer to obtain an accurate assessment of bulk annuity price, based on the most up to date membership data. It would be important to ensure the scheme data is as accurate and as clean as possible. A legal review would also help ensure a clear path to bulk annuity.
- 3 **Execute buy-in / buyout**
Utilising LCPs risk settlement experts to facilitate the transaction with the insurer. This would involve project managing a process to include legals, data cleanse, member comms, asset management, etc.

Pricing

The chart below shows the cost of purchasing an annuity that provides an annual pension of €10,000 payable from age 65 and provides an illustration of how bulk annuity pricing has changed over time. Following the sharp increase in yields since 2021, market conditions have moved favourably for annuity transactions, with pricing now at its most attractive level since 2016. The cost of deferred annuities will have likely followed a similar pattern.



Should you have any questions, please contact our resident experts



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About Lane Clark & Peacock Ireland Limited

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