

PROPOSED OCCUPATIONAL PENSIONS ACT



Proposed Occupational Pensions Act

- Duties of various Stakeholders
- Requirements for knowledge and understanding
- Administrative Fines

Duties of Sponsoring Company

- Communication with Members
- Maintenance of Membership Records
- Provision of Data for actuarial valuations, IAS 19 calculations and benefit calculations
- Payment of monthly contributions
- Payments due when a Pension Plan is being terminated or wound-up

Duties of Sponsoring Company Cont'd

- Appointment of Trustees
- Provide the Trustees with information required to carry out their functions

Structure of Pension Plans

- Corporate Trustees and a Management Company or Individual Trustees

Composition of the Management Committee and Individual Trustees

- Representative(s) of the Company
- Representative(s) of the Members
- Pensioner Representative if pensioners exceed 25% of Active Members
- Chairman and Secretary

Duties of Management Committee

- Oversee the Investment of Assets
- Review of Investment performance
- Oversee the administration of the Pension Plan
- Establish the policies and procedures for the administration of the Pension Plan
- Develop a policy for resolving disputes

Duties of Management Committee cont'd

- Ensure that training is carried out
- Establish policies for dealing with conflicts of interest
- Need for quarterly meetings

Duties of Corporate Trustees

- Selection of the Actuary, Auditor and Investment Manager
- Ensuring that the Investment Manager produces reports quarterly
- Oversee the Investments of the Pension Plan
- Oversee the performance of the investments held

Duties of Corporate Trustees cont'd

- Oversee the Administration of the Pension Plan
- Ensure TD&R comply with legislation
- Ensure that TD&R are amended as appropriate
- Filing amendments with the Central Bank and the BIR for registration and approval

Duties of Corporate Trustees

cont'd

- Monitor the remittance of contributions to the Pension Plan
- Ensure that wind up of Pension Plan is properly carried out
- Ensure that the Actuary has access to necessary information

Duties of Corporate Trustees cont'd

- Establish dates with the Company for delivery of data to the Actuary
- Submit the actuarial valuation report to the Central Bank
- Prepare Financial Statements and ensure that these are audited

Duties of Corporate Trustees cont'd

- Submit to the Central Bank the audited Financial Statements and Supervisory Returns
- Develop the Investment Policy and review at least annually
- Select the asset custodian

Duties of Corporate Trustees cont'd

- Providing the Central Bank with all information required from the Service Providers of the Plan

Duties of Individual Trustees

- Combined Duties of Management Committee and Corporate Trustee

Requirements for knowledge and understanding of Individual Trustees, Management Committee Members and Corporate Trustees

- Statement of Investment Principles
- Statement of Funding Principles
- Financial Statements
- Actuarial Valuation Reports

Requirements for knowledge and understanding of Individual Trustees, Management Committee Members and Corporate Trustees

Cont'd

- Any other policy documents relating to the administration of the Pension Plan
- TD&R of Pension Plan

Requirements for knowledge and understanding of Individual Trustees, Management Committee Members and Corporate Trustees Cont'd

- The Law relating to Pensions and Trust that Govern the operations of the Pension Plan

Requirements for knowledge and understanding of Individual Trustees, Management Committee Members and Corporate Trustees Cont'd

- The Statement of Investment Policy of the Pension Plan

Administrative Fines

- Operating a Pension Plan not registered by the Central Bank (Trustees)
- Failure to submit Actuarial Valuation Report within stipulated deadline (Trustees)
- Failure to submit annual audited Financial Statements within stipulated deadline (Trustees)

Administrative Fines

cont'd

- Failure to submit semi annual returns within the stipulated deadline (Trustees)
- Failure to provide information to the Regulator within the stipulated time (Trustees)
- Failure to provide information to the Trustee or Management Committee within the stipulated time (Sponsoring Company)

Administrative Fines

cont'd

- Failure to adhere to connected party limits (Trustees)
- Failure to adhere to investment limits (Trustees)
- Acquisition of shares of the Sponsoring Company (Individual Trustees or Management Committee)

Administrative Fines cont'd

- Failure to remit contributions (Sponsoring Company)
- Failure to communicate adequately with the Pension Plan Members and Beneficiaries (Sponsoring Company)

Thank You

