



**Minister for Social Protection**

**Guidelines for Trustees**

**Under Section 48A(10)(a) of the Pensions Act 1990**

**in respect of**

**the Actuarial Statement in Section 48A(1) and**

**the Application by Trustees to the Pensions Authority under Section 48A(2)**

**Version no:1**

**March 2016**

## **TABLE OF CONTENTS**

- 1. Introduction**
- 2 General**
- 3 Actuarial Statement under Section 48A(1)**
- 4 Application by the Trustees under Section 48A(2)**

## **Guidelines of the Minister for Social Protection under Section 48A(10)(a) of the Pensions Act 1990, as amended**

### **1. Introduction**

- 1.1 These Guidelines have been drawn up under the provisions of Section 48A (10)(a) of the Pensions Act 1990, as amended (the “Act”), in consultation with the Pensions Authority, in respect of the preparation of the statement in section 48A(1) and the application in section 48A(2).
- 1.2 These guidelines should be read in conjunction with the relevant Pensions Authority guidance notes issued under section 10 of the Act and prescribed by regulations made by the Minister under section 48A(11).
- 1.3 Sections referred to in these guidelines are to sections of the Act. Unless otherwise stated, terms used in these guidelines have the meanings given in the Act.

### **2. General**

- 2.1 Section 48A provides for the payment of certain amounts by the Minister for Finance to the trustees of a relevant scheme which is being wound up after 25 December 2013, where the resources of that scheme are not sufficient to discharge the liabilities in respect of certain benefits. The employer of the relevant scheme, or if there is more than one employer, all of the employers, must be insolvent on the date of the winding up of the scheme.<sup>1</sup>
- 2.2 The amount paid will be the difference between the amount which the trustees require to discharge the liabilities in respect of benefits referred to in section 48(1D) (known as the “relevant amount”), and the resources of that scheme that are available to discharge those liabilities in respect of those benefits.
- 2.3 Section 48A(1) requires the trustees to direct the actuary to prepare a Statement which includes a statement of the relevant amount and a statement by the actuary that the relevant amount is the amount required to discharge the liabilities in respect of the benefits referred to in section 48(1D).

---

<sup>1</sup> For the purpose of these guidelines, date of Winding up is defined as the date of the doing of such act, the happening of such event, or the making of such decision as, under the rules of the scheme, requires the scheme to be wound up

2.4 Section 48A(2) requires the trustees to apply to the Pensions Authority to certify the relevant amount concerned and submit a copy of the Statement referred to in section 48A(1) with the application.

### **3. Actuarial Statement under Section 48A(1)**

3.1. When directing the actuary to prepare the statement under section 48A(1), the trustees shall direct the actuary to calculate:

(i) the amount of the resources of the scheme that are available to discharge the liabilities in respect of the benefits referred to in section 48(1D), and

(ii) the amount required to discharge the liabilities in respect of the benefits referred to in section 48(1D), calculated in the following manner:

(a) in respect of those benefits referred to in section 48(1AB)(b) and (d), calculated on an actuarial basis which is consistent with the cost of buying annuities in the market place, and

(b) in respect of those benefits referred to in section 48(1AB)(c), calculated on the standard basis set out in guidance issued by the Pensions Authority for the purposes of section 34 of the Act which amount shall be no more than the amount calculated using the assumptions set out in that guidance.

3.2 The relevant amount for the purposes of section 48(A)(1) shall be the difference between paragraph (i) and paragraph (ii) above.

3.3 The trustees shall direct the actuary to prepare the Statement in accordance with Pensions Authority guidance notes prescribed in regulations made by the Minister under section 48A(11).

### **4. Application by the Trustees under Section 48A(2)**

4.1 When applying to the Pensions Authority for certification of the relevant amount under section 48A(2), the trustees shall submit to the Pensions Authority the information referred to in guidance notes issued by the Pensions Authority and prescribed by regulations made by the Minister under section 48A(11).

- 4.2 The Pensions Authority may, by notice in writing, require the trustees and the employer(s) to furnish to the Pensions Authority such further information as the Pensions Authority believes necessary to enable it to consider an application under section 48A(2). The trustees and the employer(s) shall comply with that request within such time period as the Pensions Authority may specify in the notice.
- 4.3 The Pensions Authority shall refuse to consider, or continue to consider, any application under section 48A(2) which does not comply with these guidelines and the guidance notes issued by the Pensions Authority and prescribed by regulations made by the Minister under section 48A(11).
- 4.4. Applications to the Pensions Authority under section 48A(2) must be made by the trustees no later than 9 months after the date of winding up the scheme.