

PENSIONS RESEARCH ACCOUNTANTS GROUP (PRAG)

APPENDIX 1

Statutory reporting to members

DEFINITIONS

Active Member is defined as a person who is in pensionable service under an occupational pension scheme.

Beneficiary is defined as any person, other than a Member, who is entitled to the payment of benefits under the scheme.

Deferred Member is defined as a person who has accrued rights under a scheme (other than an Active or Pensioner Member).

Excluded Deferred Member is a Deferred Member or Pension Credit Member for whom a current address is not known and in respect of whom correspondence to the last known address has been returned.

Member is defined as any Active Member, Deferred Member, Pensioner Member or Pension Credit Member.

Pension Credit Member is defined as a person who has rights under the scheme which are attributable (directly or indirectly) to a pension credit (as a result of a divorce settlement).

ADDITIONAL INFORMATION

Exemptions from requirements These requirements do not apply to One man schemes, life insurance only schemes, or non-UK established schemes with no trustees resident in the UK. Schemes where all Members are trustees do not have to satisfy the disclosure requirements in respect of Members, but disclosure in most other circumstances applies.

Penalties Failure to comply with the disclosure requirements can result in a penalty not exceeding £5,000 for an individual trustee and £50,000 for a corporate trustee.

Note All requests for information should be in writing. If the request is not in writing then the time limits do not apply.

Regulations Unless otherwise stated all references to Regulations and Schedules relate to Regulations and Schedules of The Occupational Pension Schemes (Disclosure of Information) Regulations 1996, SI 1996/1655 (as amended to November 07).

Key

* where the trustees know of no reason to suppose that the [relevant] member will not give effect to his rights on the date on which he attains normal pension age.

† excluding Saturdays, Sundays, New Year's Day and Good Friday.

“Pensionable Service” in relation to a member of occupational pension scheme, means service in any description or category of employment to which the scheme relates which qualifies the member (on the assumption that it continues for the appropriate period) for pension or other benefits under the scheme.

Pensioner Member is defined as a person who is entitled to current payment of a pension or other retirement benefit under the scheme by reason of his pensionable service or transfer credits.

Prospective Member is defined as any person who can choose to become a member or will be eligible to do so in the future (whether or not subject to consent of his employer).

Recognised trade unions are independent unions recognised to any extent for the purpose of collective bargaining in relation to Members or Prospective Members.

<p>What?</p> <p>Disclosure item</p>	<p>Who?</p> <p>Persons entitled to receive information</p>	<p>When</p> <p>Time limit for disclosure</p>	<p>How?</p> <p>Disclosure method</p>
<p>BASIC INFORMATION ABOUT THE SCHEME</p> <p>All information specified in Schedule I . (This information is normally covered in member handbooks.)</p> <p>Reg 4(1)</p>	<p>Prospective members</p> <p>Reg 4(2)</p>	<p>Automatically</p> <p>Reg 4(2)</p>	<p>In writing.</p> <p>Reg 4(1)</p> <p>Matters not relevant to the Member or Prospective Member's rights need not be disclosed.</p> <p>Reg 4(4)</p> <p>Must be accompanied by a Written statement that further Information is available and an address for enquiries.</p> <p>Reg 4(6)</p>
	<p>New members</p> <p>Reg 4(2)</p>	<p>Before joining but if this is not possible within 2 months of joining.</p> <p>Reg 4(2)</p>	
	<p>Any Member, Member's spouse or civil partner, Prospective Member, Prospective Member's spouse or civil partner, Beneficiary and Recognised trade unions who ask for it.</p> <p>Reg 4(3)</p>	<p>Within 2 months of request (except where previously provided in the last 12 months).</p> <p>Reg 4(3)</p>	
<p>Material alterations to Schedule 1 information (paragraphs 1-25 and 29).</p> <p>Reg 4(5)</p>	<p>All members and beneficiaries (except Excluded Deferred Pensioners)</p> <p>Reg 4(5)</p>	<p>Automatically before change or within 3 months of effective date</p> <p>Reg 4(5)</p>	

What? Disclosure item	Who? Persons entitled to receive information	When Time limit for disclosure	How? Disclosure method
PERSONAL INFORMATION FOR INDIVIDUALS Amount of benefit and, for periodic payments, provisions for continuation and alteration, and rights and options available on the death of Member/Beneficiary and procedure for claiming. Reg 5(2) and para 1-3 and 11 of Sch 2	Member, Beneficiary Reg 5(2)	Automatically before or within 1 month of benefit being payable (except on early retirement). Reg 5(2)	In writing. Reg 5(1)
	Member Reg 5(2)	Automatically within 2 months after early retirement. Reg 5(2)	
Money purchase benefit retirement options at normal pension date. Reg 5(6)(a) and 5(6A) and para 7 of Sch 2	Member and Pension Credit Member Regs 5(6) and 5(6A)	Automatically at least 6 months before normal pension date.* Reg 5(6)(a) and Reg (6A)(a)	Must be accompanied by a written statement that further information is available and an address for enquiries.
Money purchase benefit retirement options at any other date. Reg 5(6)(b) and 5(6A) and para 7 of Sch 2	Member and Pension Credit Member Reg 5(6) and 5(6A)	Automatically at least 6 months before agreed date of retirement (or within 7 days after decision to retire is made, if later) and in any event before the retirement date. Reg 5(6)(b) and Reg 5(6A)(b)	

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<p>Rights and options for early leavers.</p> <p>Reg 27A(2) of The Occupational Pension Schemes Preservation of Benefit Regulations 1991</p>	<p>Member</p> <p>Reg 27A(1) of the Preservation Regulations</p>	<p>Automatically within 2 months of the Member or employer notifying the trustees that pensionable service has ended.</p> <p>Reg 27A(1) of the Preservation Regulations</p>	<p>In writing.</p> <p>Reg 27A(1) of the Preservation Regs</p>
	<p>Member, Prospective Member.</p> <p>Reg 27A(1) of the Preservation Regulations</p>	<p>Within 2 months of a request (except where previously provided within the last 12 months).</p> <p>Reg 27A(1) of the Preservation Regulations</p>	
<p>Early leavers contribution refund availability, estimated amount and calculation method.</p> <p>Reg 27A(4) of the Preservation Regulations</p>	<p>Anyone who has paid contributions that have not been refunded.</p> <p>Reg 27A(3) of the Preservation Regulations</p>	<p>Within 2 months of a request (except where previously Provided within the last 12 months or where member has been advised that a refund is not available in any circumstances).</p> <p>Reg 27A(3) of the Preservation Regulations</p>	

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<p>Changes to amount of benefit, survivors' benefits or terms of continuation or alteration (except for periodic benefits already notified as being subject to alteration) or to rights and options available on the death of Member/Beneficiary and procedure for claiming.</p> <p style="text-align: right;">Reg 5(3)</p>	<p>Member, Beneficiary.</p> <p style="text-align: right;">Reg 5(3)</p>	<p>Automatically before or within 1 month of change.</p> <p style="text-align: right;">Reg 5(3)</p>	<p>in writing</p> <p style="text-align: right;">Reg 5(1)</p>
<p>On death of Member or Beneficiary, rights and options and procedure for claiming benefits,(including any options to select an annuity) and provisions for future and/or benefit increases (state if none whether discretionary).</p> <p style="text-align: right;">Reg 5(8) and paras 11 and 12 of Sch 2</p>	<p>Person able to exercise rights or options arising on the death.</p> <p style="text-align: right;">Reg 5(8)</p> <p>Personal representative of deceased Member or agent of person who might be able to exercise options</p> <p style="text-align: right;">Reg 5(8)</p>	<p>Automatically to Beneficiary if over age 18 within 2 months of notification to the trustees of death, where address of Beneficiary is known.</p> <p style="text-align: right;">Reg 5(8)(a)</p> <p>Within 2 months of request(except where previously provided within the last 3 years).</p> <p style="text-align: right;">Reg 5(8)(b)</p>	<p>Must be accompanied by a written statement that further information is available and an address for enquiries</p> <p style="text-align: right;">Reg 5(13)</p>

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<p>Benefit statement information (except for money purchase benefits). Schedule 2 paragraph 4 lists the information.</p> <p style="text-align: right;">Reg 5(4)</p>	<p>Any Active Member, Deferred Member or Pension Credit Member who asks.</p> <p style="text-align: center;">Reg 5(4) and para 4 of Sch 2</p>	<p>Within 2 months of request (except where previously provided within the last 12 months).</p> <p style="text-align: right;">Reg 5(4)</p>	<p>In writing</p> <p style="text-align: right;">Reg 5(1)</p>
<p>For money purchase benefits (including AVCS), an illustration of the amount of pension available at retirement date (either a date allowable under the rules of the scheme, which can be chosen by the individual, or a date chosen by the trustees). This is usually referred to as a Statutory Money Purchase Illustration (SMPI).</p> <p>[AVC funds are treated as separate scheme Reg 5(5ZB) but they can be included in the SMPI in which case there additional requirements per Reg 5(5ZC).]</p> <p style="text-align: right;">Reg 5(5) as amended by Reg 5(5ZA)</p>	<p>Active Member, Deferred Member, (except Excluded Deferred Members), Pension Credit Member except:-</p> <p>(i) members within 2 years of retirement date. Reg 5(5ZA)(a)</p> <p>(ii) members whose funds are small and no contributions have been made since the last SMPI per Reg 5 (5ZA)(c) and (d); or</p> <p>(iii) where a money purchase underpin is unlikely to apply per Reg 5(5ZA)(e).</p>	<p>Automatically within 12 months of the scheme year end</p> <p style="text-align: right;">Reg 5(5)</p>	<p>Must be accompanied by a written statement that further information is available and an address for enquiries.</p> <p style="text-align: right;">Reg 5(13)</p>

<p>Other benefit statement information for money purchase benefits including AVCS. Schedule 2 paragraphs 5, 6 and 6AA list the information.</p>	<p>All Members eligible for money purchase benefits (except Excluded Deferred Members).</p> <p style="text-align: right;">Reg 5(5)</p>	<p>Automatically within 12 months of the scheme year end.</p> <p style="text-align: right;">Reg 5(5)</p>	
<p>Transfers in - statement of whether and what transfer credits are available in exchange for a specific cash equivalent/transfer payment.</p> <p style="text-align: right;">Reg 5(9) and Para 13 and 14 of Sch 2</p>	<p>Member, Prospective Member.</p> <p style="text-align: right;">Reg 5(9)</p>	<p>Within 2 months of request (except where previously provided in the last 12 months).</p> <p style="text-align: right;">Reg 5(9)</p>	<p>In writing</p> <p style="text-align: right;">Reg 5(1)</p> <p>Must be accompanied by a written statement that further information is available and an address for enquiries.</p> <p style="text-align: right;">Reg 5(13)</p>
<p>Cash equivalent information.</p> <p style="text-align: right;">Reg 11 and Schedule 1 of Occupational Pension Schemes (Transfer Value) Regulations 1996</p>	<p>Active, Deferred and Pension Credit Members.</p> <p style="text-align: right;">Reg 11 of the Transfer Value Regs</p>	<p>Except where previously provided within the last 12 months, within 3 months of Request and issued within 10 days of guarantee date. If the Information is required in connection with a possible pension sharing order, the Court may require the information to be provided within shorter timescales.</p> <p style="text-align: right;">Reg 11(1) of Transfer Value Regulations</p>	<p>In writing</p> <p style="text-align: right;">Reg 11(4) of the Transfer Value Regs</p>

<p>Details of cessation of contracting-out of a money purchase scheme (including date of cessation, details of contributions and benefits and any reductions in them, value of options, protected rights and rights and options and benefits</p> <ul style="list-style-type: none"> – Member Reg 5(7) and paras 5, 6, 8 and 10 of Sch 2 – Pension Credit Member Reg 5 (7A) and paras 6AA, 8A, 9 and 10 of schedule 2 	<p>Members and Pension Credit Members</p> <p>Reg 5(7) and 5(7A)</p>	<p>Automatically: fact of cessation within 1 month of cessation; other information within 4 months after scheme ceased to contract out.</p> <p>Reg 5(7) and 5(7A)</p>	<p>In writing</p> <p>Reg 5(1)</p> <p>Must be accompanied by a written statement that further information is available and an address for enquiries</p> <p>Reg 5(13)</p>
<p>Date of member switching to another part of a contracted out hybrid scheme and nature of contracted out benefits for future service</p> <p>Reg 5(5A)</p>	<p>Member</p> <p>Reg 5(5A)</p>	<p>Before switch or within 2 months of date of switch</p> <p>Reg 5(5A)</p>	

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<p>CONSTITUTION OF SCHEME</p> <p>All of the following comprise scheme documents: Contents of trust deed, or other documents constituting the scheme, and any separate rules; and Contents of any documents amending, supplementing or superseding the above; and Names and addresses of all current employers of Members, if not set out in the above Documents.</p> <p style="text-align: right;">Reg 3(1)</p>	<p>Member, Member's spouse, or civil partner, Prospective Member Prospective Member's spouse or, civil partner, Beneficiary, Recognised trade unions.</p> <p style="text-align: right;">Reg 3(3)</p>	<p>Within 2 months of request.</p> <p style="text-align: right;">Reg 3(2)</p>	<p>Free of charge for inspection at a reasonable place or, at option of enquirer, a copy of the documents subject to a charge of not more than the expenses of copying, posting and packing but, if the documents are publicly available, the enquirer may instead be told where a copy can be obtained.</p> <p style="text-align: right;">Reg 3(2)</p> <p>If not in English, a translation must accompany the documents.</p> <p style="text-align: right;">Reg 3(4)</p> <p>Matters not relevant to the Member or Prospective Member's rights need not be disclosed. (and if disclosed to a trade union, matters not relevant to class of member represented by trade union need not be disclosed.)</p> <p style="text-align: right;">Reg 3(5)</p> <p>If the documents contain any legislative provision or</p>
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			refer to legislation their official reference or full text must be set out. Reg 3(6)
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<p>ANNUAL REPORT AND ACCOUNTS</p> <p>Document containing audited accounts, auditor's statement, latest actuarial statement, latest certificate under section 227 of The Pensions Act 2004 (where applicable), and information set out in Schedule 3 (where it applies to the scheme).</p> <p style="text-align: right;">Reg 6(1)</p>	<p>Member, Member's spouse or civil partner, Prospective Member, Prospective Member's spouse or, civil partner, Beneficiary, Recognised trade unions.</p>	<p>Document must be available within 7 months of the end of each scheme year.</p> <p style="text-align: right;">Reg 6(1)</p> <p>Within 2 months of request.</p> <p style="text-align: right;">Reg 6(3)</p>	<p>Copy provided free of charge on first request.</p> <p style="text-align: right;">Reg 6(3)</p> <p>Must be accompanied by a written statement that further information is available and an address for enquiries.</p> <p style="text-align: right;">Reg 6(7)</p>
<p>Earlier documents (as above) for scheme years ending not more than 5 years previously.</p> <p style="text-align: right;">Reg 6(4)</p>	<p>Does not apply to unfunded public sector schemes.</p> <p style="text-align: right;">Reg 6(6)</p>	<p>Within 2 months of request.</p> <p style="text-align: right;">Reg 6(4)</p>	<p>Free of charge for inspection at a reasonable place, or copy provided subject to a charge of not more than the expenses of copying, posting and packing.</p> <p style="text-align: right;">Reg 6(4)</p> <p>Must be accompanied by written statement that further information is available and an address for enquiries.</p> <p style="text-align: right;">Reg 6(7)</p>

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SUMMARY FUNDING STATEMENTS Reg 5(12ZA) Summary of extent to which scheme assets cover its liabilities (ie “technical provisions”) Para 17 of Sch 2			In writing. Reg 5(1)
Explanation of any changes in the funding position of the scheme Para 18 of Sch 2	All Members and Beneficiaries (except Excluded Deferred Members or those only entitled to money purchase benefits) of any Occupational Scheme (other than Money Purchase Schemes or Schemes with less than 100 Members). Reg 5(12ZA)	Initial Statement by 22 Sep 2006 and annually thereafter until the Schemes first scheme funding valuation. Thereafter annually within a reasonable period of date on which scheme valuation or scheme report has to be obtained (tPR suggests 3 months) Reg 5(12ZA)	Must be accompanied by written statement that further information is available and an address for enquiries. statement that further information is available and an address for enquiries. Reg 5(13)
Actuary’s estimate of solvency Para 19 of Sch 2			

<p>Summary of Recovery Plan (if any)</p> <p style="text-align: center;">Para 20 of Sch 2</p>			
<p>Note of whether the Pensions Regulator has modified the Scheme or given directions as to the manner in which the technical provisions are to be calculated or as to the recovery period or imposed a schedule of contributions</p> <p style="text-align: center;">Para 21 of Sch 2</p>			
<p>Whether any payment of surplus has been made to an employer since the last statement (or in last year if the statement is the first one).</p> <p style="text-align: center;">Para 22 of Sch 2</p>	<p>All Members and Beneficiaries (except Excluded Deferred Members or those only entitled to money purchase benefits) of any Occupational Scheme (other than Money Purchase Schemes or Schemes with less than 100 Members).</p> <p style="text-align: center;">Reg 5(12ZA)</p>	<p>Initial Statement by 22 Sep 2006 and annually thereafter entail the Schemes first scheme funding valuation. Thereafter annually within a reasonable period of date on which scheme valuation or scheme report has to be obtained (tPR suggests 3 months)</p> <p style="text-align: center;">Reg 5(12ZA)</p>	<p>Must be accompanied by written statement that further information is available and an address for enquiries.</p> <p style="text-align: center;">Reg 5(13)</p>
<p>The Pensions Regulator has suggested the trustees also consider including number of further matters</p> <p style="text-align: center;">Para 147 of Code of Practice 3</p>			

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<p>ACTUARIAL INFORMATION</p>			
<p>Statement of Funding Principles Reg 7(1)(a)</p>	<p>Members, Prospective members, their respective spouses or civil partners, Beneficiaries and Recognised trade unions who ask for it. Reg 7(3)</p>	<p>Within 2 months of request Reg 7(3)</p>	<p>Free of charge for inspection at a reasonable place or, at option of enquirer, a copy of the documents is to be provided for a charge not exceeding the cost of copying, posting and packaging. Reg 7(3)</p>
<p>Last Actuarial valuation and any later actuarial report. Reg 7(1)(b)</p>			
<p>Recovery plan (if any) Reg 7(1)(c)</p>			<p>If a copy is provided, it must be accompanied by a statement that further information is available and an address for enquiries Reg 7(5)</p>
<p>Schedule of contributions or payment schedule Reg 7(1)(ca)</p>			
<p>Statement of Investment Principles Reg 7(1)(d)</p>			
<p>An outline of the winding up procedure (if any) Reg 7(1)(e)</p>			

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<p>CONTRIBUTIONS</p> <p>Non-payment or late payment of contributions specified due under the schedule of contributions or payment schedule if likely to be materially significant to the Pensions Regulator’s exercise of its functions.</p> <p>S 228(2) Pensions Act 2004 S49 Pensions Act 1995</p> <p>If a report is made to the Pensions Regulator of a missed payment, a report must also be made to the Members</p> <p>s228(2) Pensions Act 2004 S49 Pensions Act 1995</p>	<p>The Pensions Regulator</p> <p>Members.</p>	<p>A reasonable period. The Pensions Regulator considers that ten working days is a reasonable period.</p> <p>Para 18 of Code of Practice 5</p> <p>A reasonable period. The Regulator considers that 30 days is reasonable.</p> <p>S228 Pensions Act 2004 S49 Pensions Act 1995 and para 21 and 22 Code of Practice 05</p>	<p>Must be accompanied by a written statement that further information is available and an address for enquiries.</p> <p>Reg 6(7)</p> <p>In writing</p>

INFORMATION FROM EMPLOYER TO TRUSTEES

Under the Occupational Pension Schemes (Scheme Administration) Regulations 1996, SI 1996/1715, employers have a duty within one month of the occurrence to disclose to the trustees an event of material significance. This includes timely notification of new entrants and early leavers.

DIVORCE

There are a range of additional requirements under the Pension Sharing (Valuation) Regulations 2000, SI 2000/2691 and SI 2003/1727, which specify the types of pension rights which are not subject to pension sharing, and make provision for the calculation and verification of cash equivalents for the purpose of creating pension credits and debits.

SCHEME WIND-UPS

There are a range of additional Regulations which apply to schemes which have gone into wind-up or where the trustees and/or employer are considering winding-up the scheme.

REGULATORY INTERVENTION

There are additional requirements if the Pensions Regulator has intervened in the running of the Scheme or modified its benefits.