



BULLETIN FOR:

Using Multiple Administrators or Investment
Managers for a Pension Plan

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USING MULTIPLE ADMINISTRATORS OR INVESTMENT MANAGERS FOR A PENSION PLAN

LEGISLATIVE REFERENCE: The Pensions (Superannuation Funds and Retirement Schemes) Act
("the Act") Section 10

The Pensions (Superannuation Funds and Retirement Schemes)
(Registration, Licensing and Reporting) Regulations ("RLR")
Regulations 12, 13, 20

1.0 BACKGROUND

- 1.01 The Trustees of a superannuation fund ("fund") or retirement scheme ("scheme") are responsible for a fund or scheme being in full compliance with the regulatory requirements set out under the Act and associated regulations. Trustees may appoint an administrator and/or investment manager to assist them in carrying out these duties.
- 1.02 The Act does not prohibit a pension plan from having more than one administrator or investment manager.
- 1.03 The FSC recognizes that boards of trustees may at times contract with more than one administrator and/or investment manager and as such will be receiving data from multiple sources. The purpose of this bulletin is to outline the Commission's expectations regarding the timeliness and accuracy of all such data and the need to appoint a primary administrator and investment manager to ensure an effective governance framework which guarantees, among other things, compliance with the Act or RLR with regard to the submission of the statutory reports for the fund or scheme.

2.0 WHO IS AN ADMINISTRATOR OR INVESTMENT MANAGER

- 2.01 Section 2 of the Act defines an administrator as a company which is licensed, pursuant to section 7(1)(a) of the Act, to administer a fund or scheme. Section 2 also defines an investment manager as a company which, pursuant to Section 8(1)(a), is licensed to invest and manage pension fund assets of an approved fund or scheme.

2.02 Full details on the requirements relating to the designation of an administrator or investment manager is set out in the Bulletin: Designating an administrator and investment manager of a pension plan - PR-CONSUL-11/04-0005; published by the Commission on its website at: - <http://www.fscjamaica.org>

3.0 REPORTING REQUIREMENTS

3.01 In ensuring that a fund or scheme is managed in accordance with the Act and associated regulations the trustees have the responsibility of filing the relevant reports for the fund or scheme. Regulations 12 and 13 of the RLR states:

12(1) *“Within one hundred and twenty days after the end of a fund’s plan year, the fund shall file with the Commission the following reports for the plan year, namely -*

- (a) *Certified Financial Return, in the form set out as Form 6 in the First Schedule;*
- (b) *financial statements, which shall be audited, unless -*
 - (i) *the fund meets the criteria specified in paragraph (3); and*
 - (ii) *the preparation of audited financial statements is not a requirement imposed by the fund’s constitutive documents.*

(2) *Within nine months after the end of its plan year, the fund shall file with the Commission the prescribed annual report.*

(3) *The criteria referred to in paragraph (1)(b)(i) are that -*

- (a) *there are fewer than one hundred active members or such other number as the Commission may, by notice publish in the Gazette, specify, and the total fair value of the assets is less than seventy-five million dollars or such other amount as the Commission may, by notice publish in the Gazette, specify, and*
- (b) *all funds are held either on the account of investment managers or in Type 1 Pooled Funds of investment managers, and accordingly, the limit on the fair value of assets shall be adjusted for each calendar year by the rate of consumer price inflation applicable to the preceding calendar year.*

13(1) *Within one hundred and twenty days after the end of a Scheme’s plan year, the scheme shall file with the Commission, the following reports and documents for the plan year -*

- (a) *Certified Financial Return, in the form set out as Form 6 in the First Schedule;*
- (b) *audited financial statements;*
- (c) *its information folder, in accordance with the requirements of the Third Schedule;*
- (d) *a list of the names of the persons that sell or otherwise distribute the scheme’s contracts under the scheme’s Master Trust Deed and their registration number issued by the Commission consequent upon being registered or licensed under the Securities Act or Insurance Act.*

(2) *Within nine months after the end of its plan year, the scheme shall file with the Commission the prescribed annual report."*

- 3.02 The reporting requirements, noted above, include one composite comprehensive Certified Financial Return (Form 6); audited financial statements; and annual report, signed by the trustees to be submitted on behalf of a fund or scheme within the stipulated timelines.
- 3.03 In keeping with the aforementioned stipulation, it is important where multiple administrators or investment managers have been designated in relation to a single fund or scheme, that the trustees of such fund or scheme ensure that: -
- a) the contracts entered into with each of the administrators and/or investment managers is specific as to the duties assigned;
 - b) that a primary administrator and investment manager as the case requires, is specified;
 - c) that the primary administrator and/or investment manager has the responsibility of preparing the composite CFR and annual report, including the compilation of all financial data to facilitate the auditing of the financial statements.

Questions regarding this bulletin may be directed to:

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