



BULLETIN ON:

The Caribbean Actuarial Association's Standard of
Practice for Actuarial Valuations of Pension Plans

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THE CARIBBEAN ACTUARIAL ASSOCIATION'S STANDARD OF PRACTICE FOR ACTUARIAL VALUATIONS OF PENSION PLANS

LEGISLATIVE REFERENCE: The Pensions (Superannuation Funds and Retirement Schemes) (Governance) Regulations, 2006
Regulation 11(2)(a)

1.0 BACKGROUND

- 1.01 The Caribbean Actuarial Association (CAA) has issued a standard of practice for actuarial valuations of pension plans (APS1). The standard outlines the minimum content for valuation reports of pension plans.
- 1.02 APS1 seeks to, inter alia, ensure that valuation reports contain sufficient information to understand:
- i) funding and solvency levels of a pension plan;
 - ii) the expected future course of contribution rates; and
 - iii) methods and assumptions used by the actuary.
- 1.03 The CAA standard applies to all formal actuarial valuation reports which are required by legislation or by the constitutive documents of a pension plan, e.g. funding valuations for defined benefit plans.

2.0 LEGISLATIVE REQUIREMENTS

In the performance of their functions, actuaries of pension plans are required by Regulation 11(2)(a) of the Pensions (Superannuation Funds and Retirement Schemes) (Governance) Regulations, 2006 to prepare their reports in accordance with generally accepted actuarial principles and such directions as may be given by the Commission.

3.0 ACTUARIAL STANDARD

- 3.01 The Financial Services Commission expects that actuarial valuations for pension plans should satisfy the requirements of APS1 in accordance with the intended scope and application as outlined in section 1 of the standard.
- 3.02 As stipulated under section 3.10 of the CAA standard, the actuary must state whether the valuation was prepared in accordance with APS1 and provide a justification where sections of the standard are not followed.

Questions regarding this bulletin may be directed to:

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