



BULLETIN FOR:

Minimum Content of the Statement of Transfer Values

The Financial Services Commission
39-43 Barbados Avenue
Kingston 5, Jamaica, W.I.
Telephone: (876) 906-3010

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MINIMUM CONTENT OF THE STATEMENT OF TRANSFER VALUES

LEGISLATIVE REFERENCE: The Pensions (Superannuation Funds and Retirement Schemes) (Governance) Regulations (the "Governance Regulations") Regulation 7(1)(r)

1.0 BACKGROUND

- 1.01 The transfer of pension benefits from an approved superannuation fund ("fund") or approved retirement scheme ("scheme") to another fund or scheme may take place periodically, whether for a single member or for a group of members representing a bulk transfer. The Constitutive Documents for both the pension plan from which the benefits are transferred and the receiving plan should contain clauses allowing for transfers in and out.
- 1.02 Benefit transfers provide a mechanism by which a member's accrued pension benefits may be moved from his or her former pension plan ("the transferring plan") to the new pension arrangement which the member joins ("the receiving plan"). This allows for preservation of retirement benefits which are usually either forfeited or diminished on a refund of members' contributions at termination, even for vested pension plan participants.
- 1.03 This bulletin seeks to highlight pertinent information that ought to be incorporated in Statements of Transfer Values when a transfer takes place. It aims to serve as a guide to trustees and administrators in ensuring that these statements supply the necessary information to transferring members, as well as to the receiving plan.
- 1.04 The statement and additional disclosures will allow for a member to be fully informed of the benefit being moved from the transferring plan, as well as the new benefit entitlements under the receiving plan. The receiving plan will also have full information on the member's vested status in the transferring plan and will be able to treat with transferred contributions in the appropriate manner based on the locking in status¹ of the various contribution types.

2.0 LEGISLATIVE REQUIREMENTS

- 2.01 Governance Regulation 7(1)(r) places a duty on the trustees of a fund or scheme from which a member transfers to provide a statement of transfer values to the member and the trustees of the receiving fund or scheme. This should be done at the time that the transfer payment is made.

¹ Whereby monies can only be paid to a member or beneficiary in the event of retirement or death of a member, that is, cash refunds are not permitted in any other event.

3.0 POLICY REQUIREMENTS: DISCLOSURES AND RECOMMENDED TIMELINES

3.01 Once a member has indicated that he or she intends to transfer benefits to another plan, based on best practice, the trustees of the transferring plan should provide the following to the trustees of the receiving plan within fourteen days thereafter:

- notice of the member's intention to transfer
- the Statement of Transfer Values, which would contain the amount of the transfer value broken down by source and vested status

3.02 When the transfer payment has been effected, it is expected that the trustees of the transferring plan would supply to the member in approximately seven days of the date of the transfer, a copy of receipt as proof that the assets have been transferred, as well as the Statement of Transfer Values.

3.03 In order to keep members fully informed, it is anticipated that within fourteen days of receiving the statement and associated monies, the trustees of the receiving plan will advise the member of the benefits that he or she will now be entitled to in relation to transferred amounts. In the circumstance where actuarial input is needed to assess the member's benefit entitlements under the receiving plan, seven days after the receiving plan's trustees obtain the information from the plan's actuary is considered a reasonable turnaround time to inform the member of the new benefit entitlements.

4.0 MINIMUM CONTENT OF THE STATEMENT

4.01 The Statement of Transfer Values should contain three main sections: basic information, benefits, and general information.

4.02 Basic Information should consist of the following:

Regarding the transferring plan and Administrator:

- (i) Name of the transferring plan
- (ii) FSC registration number of the transferring plan
- (iii) FSC license number for the transferring plan's Administrator

Regarding the sponsors of the transferring plan:

- (i) Name

Regarding the member:

- (i) Full name
- (ii) Taxpayer reference number (TRN)
- (iii) Date of birth
- (iv) Gender
- (v) Date of entry into the transferring plan
- (vi) Date of exit from the transferring plan
- (vii) Date member first became vested
- (viii) Pensionable service, with pensionable service from any previous transfer being noted Separately

4.03 Information on the benefits being transferred should be broken down by the following sources, where applicable:

- (i) amounts attributable to the member's compulsory contributions
- (ii) amounts attributable to the member's voluntary contributions
- (iii) amounts attributable to contributions paid on the member's behalf
- (iv) amounts attributable to previous transfer values
- (v) amounts attributable to surplus distribution
- (vi) amounts attributable to any other lump sum amounts

Kindly note that previous transfer values, surplus and other lump sums should be further detailed as member compulsory and voluntary contributions, as well as contributions paid on the member's behalf.

4.04 The general information section should include:

- (i) A paragraph explaining the importance of the Statement of Transfer Values, that it should be carefully reviewed for accuracy, and that all errors should be reported to the transferring plan trustees or Administrator as quickly as possible.
- (ii) A certificate signed by the Administrator testifying that to the best of his knowledge and belief the information contained in the Statement of Transfer Values is true, complete and correct and that it complies with the requirements of the Act, regulations thereunder and the Constitutive Documents of the transferring plan, as the case requires.

4.05 In order to ensure that sufficient information is provided to the member and the trustees of the receiving plan, an assessment should be made to determine whether any additional items are pertinent to the transfer. These may include fees paid to handle the transfer, discretionary benefits incorporated in the member's transfer value, etc. These items should be included in the Statement of Transfer Values.

Questions regarding this bulletin may be directed to:

Senior Director – Pensions
The Financial Services Commission
39-43 Barbados Avenue
Kingston 5
Telephone: (876) 906-3010
Facsimile: (876) 906-3018
E-mail: pensions@fscjamaica.org