

FINANCIAL SERVICES COMMISSION (“FSC”)

Instructions for the completion of the Winding-up Progress Report Form (FSC Form 100) for Superannuation Funds and Retirement Schemes

1. INTRODUCTION

- 1.1** These are instructions to assist persons responsible for satisfying the winding-up reporting requirements of a terminating superannuation fund or retirement scheme.
- 1.2** **Guidelines and Written Instructions.** These instructions are to be used as a guide in the completion of the form. However, registrants are required to give due consideration to additional written instructions which the FSC may release from time to time.

2. FILING REQUIREMENTS

- 2.1** **Filing Deadline.** This form is to be filed with the FSC within four (4) months of the end date of the period being covered by the report. End date means the end of the financial year of a superannuation fund or retirement scheme as determined in its Constitutive Documents.
- 2.2** **Required Signatories.** The schedules of the Progress Report should be appropriately completed and certified by the person responsible for the oversight of the winding-up (a trustee/administrator/actuary, etc.).
- 2.3** **Care and Accuracy.** It is expected that stringent care and accuracy will be taken in completing the form. This implies that all individuals involved in either the completion or certification of the form should be able to answer questions of a technical nature regarding the general affairs of the plan.
- 2.4** **Identification.** It is important that the name of the fund or scheme and the period being covered by the report be shown on each page. The FSC will maintain a permanent record of the Progress Report and this data is needed on each page to ensure proper identification.
- 2.5** **Positive Integers and Rounding.** Unless specifically stated in these instructions or indicated on the form, entries should be made as positive integers. Exceptions will arise where an entry is the opposite of what would normally occur. Unless otherwise specified, the Progress Report is to be completed with the exact figures, not in thousands, of Jamaica dollars.
- 2.6** **Jamaican Dollar Denominated.** All figures should be stated in Jamaican dollars. The exchange rate used for the conversion of assets must be the Bank of Jamaica weighted average buying rate as at the reporting date. The Bank of Jamaica weighted average selling rate should be used for converting liabilities. Exchange rates used should be specified in the appropriate schedule and in the notes.

2.7 Supporting Details. The trustees and the person preparing the Progress Report should make supporting information and working papers available to FSC examiners and investigators upon request.

2.8 Incomplete forms may be returned. Unsatisfactory or incomplete forms may be returned.

3. PROGRESS REPORT

3.1 Cover Page

3.1.1 **Purpose:** The cover page provides a general description of the plan, its trustees and its agents.

3.1.2 **Definitions:** The following definitions can be used in reference for the cover page:

<i>Type of Fund or Scheme</i>	The structure by which benefits is determined: Defined Contribution, Traditional Defined Benefit, Mixed DB or `Hybrid DB.
<i>Effective Date of Fund or Scheme</i>	The date upon which the trust relationship outlined within the pension plan's Constitutive Documents became binding.
<i>FSC Registration Date</i>	The date upon which the FSC formally registered the pension plan, as noted in the approval letter or registration certificate.
<i>Wind-up Date</i>	The date approved by the FSC for the winding-up of the plan to take effect.
<i>Period Covered by Progress Report</i>	The period spanning the start and end date of the report. The start date should be the effective date of winding-up and the end date should be the last date covered by the report, i.e. the reporting date. The reporting date is usually the end of the fiscal year of the pension plan as determined in its Constitutive Documents.
<i>Effective Date of TAJ Approval</i>	The date upon which Tax Administration Jamaica ("TAJ") formally approved the pension plan.
<i>Date of Engagement of Firm</i>	The date at which the firm formally began providing services to the pension plan.
<i>Trustee Type</i>	Denotes the category of participants by which the trustee was selected: sponsor, member-nominated or pensioner.

3.1.3 **General Commentary:** Contact information for each trustee and each named stakeholder of the plan, should be provided on the cover page. Information relating to the registration of the plan including the date of registration and registration number should also be provided, where applicable, as depicted on the certificate of registration. If the plan was not approved by the FSC or TAJ, indicate "N/A" in the relevant cells.

3.2 SCHEDULE 100.10 Wind-up Income Statement

3.2.1 **Purpose:** This schedule provides a summary of the plan's performance over the reporting period, by outlining the total revenues generated and the total costs and expenses paid by the plan.

3.2.2 **Definitions:** The following definitions can be used in reference for Schedule 100.10:

<i>Increase/Decrease due to Investments</i>	Any increase or decrease in the value of the pension plan's assets during the period covered by the progress report as a result of its investments.
<i>Incorrect posting to the Fund</i>	Recognizes the value necessary to reconcile an error of original entry where an incorrect amount was recorded.
<i>Other Sources of Income</i>	Any other increase or decrease in the value of the pension plan's assets, not resulting from the investment of the plan's assets.
<i>Post wind-up contributions received</i>	Employee and/or employer contributions paid into the fund after the winding-up date and during the reporting period.
<i>Fund Adjustments</i>	Any adjustments made to the fund value. Details of any fund adjustments should be provided on the Notes to the Winding-up Progress Report Form (Schedule 100.90).
<i>Transfers to Approved Funds/Schemes</i>	Amounts transferred to approved superannuation funds/approved retirement schemes including any surplus amounts.
<i>Annuities Purchased</i>	Total value of annuities purchased for members; deferred or immediate.
<i>Lumpsum Payments</i>	Lumpsum payments made to members of the plan, including contribution refunds.
<i>Refund to Sponsor</i>	Where applicable, any amounts returned to the sponsor during the reporting period.

3.2.3 **General Commentary:** Schedule 100.10 captures all revenues generated and all expenses and costs incurred during the reporting period. Where additional information needs to be provided for clarity, it should be added to the Notes to the Winding-Up Progress Report sheet (Schedule 100.90) and linked to the appropriate numerical reference.

Line (004) If, for instance, the income earned in the last review period was \$100,000 but the income recorded in the previous submission was \$90,000, the value recorded here would be \$10,000, plus any other incorrect postings made.

3.3 SCHEDULE 100.20 Balance Sheet

3.3.1 **Purpose:** This schedule provides a summary of the plan's financial position as at the reporting date, with specific emphasis on the assets and liabilities of the plan.

3.3.2 **Definitions:** The following definitions can be used in reference for Schedule 100.20:

<i>Commercial Paper</i>	Securities comprising or evidencing a debt obligation repayable within a year of the date of issue, whether or not secured or guaranteed, but does not include payment obligations arising out of the sale of goods or services.
<i>Deposit Administration Contracts</i>	All contributions made under a contract in which contributions made to fund members' benefits are held in an unallocated account of an insurance company or such other arrangement that the FSC may deem to be equivalent thereto.
<i>Type I Pooled Fund</i>	All amounts invested in any investment fund established by a licensed insurance company or investment manager, for the purpose of investing the monies of more than one fund and/or scheme.
<i>Type II Pooled Fund</i>	All contributions made to an open-ended investment fund, mutual fund, collective investment scheme or unit trust registered and in good standing with the FSC or any investment arrangement that is not a Type I Pooled Fund or Deposit Administration Contract.
<i>Securities of Government</i>	This comprises all securities issued, assumed or guaranteed by the Government of Jamaica ("GOJ") and governments in recognized jurisdictions, or their agencies. This also includes loans upon the security of general obligations of GOJ and includes, but is not limited to treasury bills, local registered stock, bonds and debentures.
<i>Repurchase Agreements</i>	Any agreement between a seller and a buyer under which the seller agrees to repurchase securities at an agreed price and at a stated future date.
<i>Promissory Notes</i>	All debt obligations (other than GOJ securities) repayable in more than one year from the date of issue. If the note is repayable within one year then it is classified as commercial paper.
<i>Total Bonds and Debentures</i>	All interest bearing or discounted multilateral or corporate securities, which are not securities of governments, that obligate the issuer to pay the bondholder a specified sum of money, usually at specified intervals, while the principal amount is repaid at maturity.

<i>Stocks and Shares</i>	This refers to: (i) preference shares (ii) quoted ordinary shares which are listed on a Stock Exchange of a recognized jurisdiction or (iii) unquoted ordinary shares which refers to unlisted equity ownership.
<i>Leases</i>	Special Loans where a lessor grants use of real estate or other fixed assets to a lessee and transfers substantially all the risks and rewards resulting from ownership.
<i>Mortgage Loans</i>	Insured mortgage loans are those where the amount owed by the borrower is insured against default by a government agency, or by a private insurer. Uninsured mortgage loans are those where the amount owed by the borrower is not insured against default by a government agency, or by a private insurer.
<i>Real Estate</i>	This refers to all parcels of land and all physical structures related to same. Investment property is property held either for rental income or capital appreciation or both.
<i>Other Assets</i>	Refers to all other assets which do not fall into any of the above categories.
<i>Employee Basic Contributions</i>	The total amounts of members' compulsory contributions outstanding (i.e. due but not yet paid into the fund) as at the reporting date.
<i>Employee Voluntary Contributions</i>	The total amounts of members' voluntary contributions outstanding (i.e. due but not yet paid into the fund) as at the reporting date.
<i>Employer Contributions</i>	The total amounts of the employer's contributions outstanding (i.e. due but not yet paid into the fund) as at the reporting date.
<i>Employer Special Contributions</i>	The total amounts of the employer's special or additional contributions outstanding (i.e. due but not yet paid into the fund) as at the reporting date.
<i>Receivables for Investments Sold</i>	Amounts outstanding for assets sold, but for which cash has not yet been received.
<i>Investment Income Due and Accrued</i>	Investment income earned and due to be paid in to the plan
<i>Employer Share of Surplus</i>	The total amount of the plan's surplus to be returned to the sponsor.

3.3.3 **General Commentary:** Schedule 100.20 captures all assets still owned by the plan as well as all remaining liabilities of the plan. Where additional information needs to be provided for clarity, it should be added to Schedule 100.90 and linked to the appropriate numerical reference.

- Line (006) The name and nature of the Type II Pooled Fund(s) must be disclosed on Schedule 100.30.
- Line (011) If there are investments in unquoted shares, please provide that breakdown on Schedule 100.30.
- Line (012) Details on any such lease arrangement should be provided on Schedule 100.30.
- Line (013) Please indicate on Schedule 100.30 the mortgage loans which are insured and the mortgage loans which are uninsured in the description of the security.
- Line (015) Real estate must be shown at fair values. Appraisals by a competent appraiser must be conducted at least once every three years. In non-appraisal years, real estate values should be approximately equal to their fair values. Thus, in non-appraisal years, it is incumbent upon the persons preparing the Winding-up Progress Report Form to review the pension plan's real estate portfolio annually to ensure that adjustments are based on current fair values.
- Line (017) If this line item is used, the nature, income stream and maturity date of each instrument must be disclosed on Schedule 100.90.

3.4 SCHEDULE 100.30 Schedule of Investments

3.4.1 **Purpose:** This schedule is designed to provide a detailed breakdown of the plan's asset holdings as at the time of winding-up, and beyond, relative to the disbursement of assets.

3.4.2 **Definitions:** The following definitions can be used in reference for Schedule 100.30:

<i>Date of Valuation of Assets</i>	The date when the values of the assets were last determined.
Nominal Value	The originally stated value or unadjusted price of the issued security, without considering inflation and other market factors.
Market Value	The price at which the security currently trades or would trade within the local financial market.
Maturity Date	The date on which the principal amount of the security becomes due, typically marking the end of the security's lifespan.

3.4.3 **General Commentary:** Schedule 100.30 should reflect a detailed breakdown of the value of the assets remaining in the pension plan as at the reporting date.

3.5 SCHEDULE 100.40 Schedule of Liabilities

3.5.1 **Purpose:** This schedule is designed to provide information relating to the breakdown of the plan's liabilities.

3.5.2 **Definitions:** The following definition can be used in reference for Schedule 100.40:

<i>Post Winding-up Gains/Losses</i>	The change in the members' entitlement due to the gain or loss on investments or other sources since the date of the winding-up, up to the point when the benefit is made available to the members.
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3.5.3 **General Commentary:** Schedule 100.40 should disclose a detailed breakdown of the liabilities owed to each member as at the winding-up date, the post-winding gains or losses accrued up to the point of payment or end date of the report (whichever is earlier), the amounts paid and the balance remaining to be paid.

Rows should be added to include all the members in their respective membership class.

3.6 SCHEDULE 100.50 Benefit Payment Selection Schedule

3.6.1 **Purpose:** This schedule provides an outline of the type(s) of pension benefits selected by each plan member upon the winding-up of the plan.

3.6.2 **Definitions:** The following definition can be used in reference for Schedule 100.50:

<i>ARS</i>	<i>A retirement scheme approved by the FSC.</i>
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<i>ASF</i>	<i>A superannuation fund approved by the FSC.</i>
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<i>PPP</i>	Pension Pay-out Product – a form of structured pension arrangement which guarantees for the life of the pensioner a series of fixed or variable payments.
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3.6.3 **General Commentary:** Schedule 100.50 provides a breakdown of each member's entitlement into selected benefit payment type(s) and the amount associated with each benefit payment type.

Column (05)	The tax-free lump sum payment made to the respective member should be captured here. Any other cash payment of benefits that was taxed should be incorporated in column (08) and the respective tax deduction added to the sum in column (09).
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3.7 SCHEDULE 100.60 Schedule of Benefits paid to Supreme Court

3.7.1 **Purpose:** This schedule provides details of benefits paid to the Supreme Court on behalf of members who could not be located by the plan within the five (5) years of the wind-up.

3.7.2 **Definitions:** The following definitions can be used in reference for Schedule 100.60:

Member Identification Number The identification number assigned to the plan member upon his/her enrollment in the plan.

Membership Class The membership status of the member as at the date of the winding-up.

Payment Date The date upon which the benefit was paid over to the Supreme Court.

Amount Paid to Supreme Court The monetary amount paid to the Supreme Court.

3.7.3 **General Commentary:** Schedule 100.60 provides sufficient information relating to plan members who could not be found and for whom no beneficiary or next of kin could be located. Additionally, information regarding the date and amount of the benefit paid over to the Supreme court should be included in the schedule.

3.8 SCHEDULE 100.70 Wind-up Timeline

3.8.1 **Purpose:** This schedule provides a chronological breakdown of the activities undertaken or to be undertaken by the plan during the wind-up.

3.8.2 **Definitions:** The following definition can be used in reference for Schedule 100.70:

Discontinuance Date The last day of the final month for which either employee or employer contributions are remitted to the plan's investment manager on behalf of plan members.

3.8.3 **General Commentary:** The relevant dates upon which each activity was undertaken or expected to be taken should be added to the sheet. Where an activity does not apply to the plan, the response 'N/A' should be indicated. Where the plan has undertaken a significant activity that is not listed, information surrounding the activity should be provided on Schedule 100.90.

Rows should be added above item (M) where more than four progress reports have been submitted to the FSC and the relevant date(s) entered.

3.9 SCHEDULE 100.80 Confirmations and Interrogatories

3.9.1 **Purpose:** This schedule solicits confirmation from the plan's trustees/administrator or any person charged with the oversight of the plan's winding-up process, that the relevant criteria to effect the winding up of the plan have been met.

- 3.9.2 **General Commentary:** Section A of Schedule 100.80, which is comprised of nine (9) questions, should be filled out by all pension plans. Where a given question is not applicable to the plan, the response provided should be 'N/A'.

Section B of the schedule, which is comprised of nine (9) additional questions, should be filled out by plans submitting a final winding-up report.

3.10 **SCHEDULE 100.90 Notes to the Winding-Up Progress Report Form**

This sheet was intentionally left blank for the party who prepared this report to add further clarity on information provided or to note additional information pertaining to the plan's winding-up that was not captured in the previous schedules. For example, more information on any fund adjustment noted in line (005) or, Other Benefits and Transfers in line (033), both of Schedule 100.10, should be denoted on this schedule.

Where further clarity (or a breakdown) of information from Schedules 100.10 and 100.20 is being provided, the Ref. No. to Notes column on those schedules should be populated and the relevant reference number cited in this schedule.

3.11 **SCHEDULE 100.101 Certification**

This sheet should be completed and signed by the party who prepares this report for submission to the FSC. In the case of a Final Winding-Up Progress Report, this sheet should be signed by, at least, a quorum of the Board of Trustees.

3.12 **Color coding**



Dates in the format: day, month, year (**dd/mm/yyyy**) should be entered in cells with this color.



Monetary figures should be entered in cells with this color.



Only numerical figures should be entered in cells with this color.

Cells filled with other colors should not be populated.