

RULES RELATING TO CERTIFICATES TO ACT AS A SCHEME ACTUARY OF AN OCCUPATIONAL PENSION SCHEME

The Council, in accordance with the Regulations relating to Practising Certificates pursuant to Article 39 of the Articles of Association, requires all members who hold the position of Scheme Actuary of an occupational pension scheme pursuant to the Pensions Act, 1990 to possess a certificate issued by the Society.

The requirements for obtaining or renewing a certificate are that the applicant must:

- (a) be a Fellow of the Society;
- (b) have had either:
 - (i) a minimum period of three years holding the qualification on the basis of which Fellowship of the Society is held, or
 - (ii) a minimum period of eight years practical actuarial experience, including a minimum of two years holding the qualification on the basis of which Fellowship of the Society is held.

These requirements may be waived in an individual case only if, in the opinion of the Practising Certificate Committee, there are exceptional circumstances in relation to that case;

- (c) have demonstrated compliance with Actuarial Standard of Practice PA-1 Continuing professional development during the twelve month period ending on the previous 30 June;
- (d) have recent appropriate practical experience (guidance relating to the appropriate practical experience that would normally be considered acceptable is set out overleaf);
- (e) certify that he or she has the appropriate knowledge and practical experience for the role of Scheme Actuary;
- (f) have attended a Professionalism Course, unless the applicant held the qualification on the basis of which Fellowship of the Society is held on or before 1 July 1992, and have attended a Professionalism Event or Events in accordance with the requirements of Actuarial Standard of Practice PA-1;
- (g) for the purposes of an initial application, obtain references from two actuaries operating in the same practice area as the applicant; one of the referees should be external to the applicant's practice or firm, but in exceptional circumstances the Scheme Actuary Certificate Committee may waive this requirement; and
- (h) for the purposes of a renewal application, submit a Compliance Certificate signed by a Reviewing Actuary in accordance with ASP PEN-10, in respect of the immediately previous Review Period as defined in ASP PEN-10, unless the applicant has not signed any Work, as defined in ASP PEN-10, during that Review Period; and
- (i) in the opinion of the Practising Certificate Committee be an appropriate person.

In deciding whether an applicant is an “appropriate person”, the Practising Certificate Committee will have regard to such matters as:

- (i) convictions (other than under the Road Traffic Acts) by any Court in the Republic of Ireland or elsewhere;
- (ii) censuring, discipline or public criticism by any professional body, dismissal from any office or employment or refusal of entry to any profession or occupation in the Republic of Ireland or elsewhere or refusal of any practising certificate application;
- (iii) being adjudged bankrupt by a Court in the last 10 years in the Republic of Ireland or elsewhere;
- (iv) failure at any time to satisfy any debt adjudged to be due and payable under an order of a Court in the Republic of Ireland or elsewhere;
- (v) in connection with the formation or management of any body corporate, insurance company or pension fund being adjudged by a Court in the Republic of Ireland or elsewhere to be civilly liable for any fraud or other misconduct towards such a body, company or pension fund or towards any member thereof;
- (vi) being associated as a director or controller in the Republic of Ireland or elsewhere with a body corporate which has been compulsorily wound up or made any compromise or arrangement with its creditors or ceased trading in circumstances where its creditors did not receive or have not received full settlement of their claims, either while the applicant was associated with it or within one year after the applicant ceased to be associated with it; and
- (vii) being associated as actuary with a pension fund which, in the last five years, was subject to judicial proceedings, quasi-judicial proceedings (e.g. an industrial tribunal) or litigation where actuarial involvement has been questioned.

Details of relevant experience must be provided when making an initial application for a certificate and every three years thereafter when renewing the certificate. If a renewal application is not received at least fourteen days before the expiry date of a certificate, the applicant will be required to complete an initial, rather than a renewal, application form.

In the event that an actuary applying to renew a scheme actuary certificate has not obtained a required Compliance Certificate, the Practising Certificate Committee may, at its absolute discretion, decide to renew the actuary’s scheme actuary certificate for a period of six months. The Committee may seek any additional information from the actuary that it considers necessary to determine whether it should renew his or her scheme actuary certificate, including any report provided to the scheme actuary by a reviewing actuary in accordance with ASP PEN-10.

An initial certificate granted within six months of the last annual renewal date for scheme actuary certificates will be granted for the period until the next annual renewal date (i.e. for a period between six and twelve months) while an initial certificate granted within six months of the next

annual renewal date will be granted for the period until the following annual renewal date (i.e. for a period between twelve and eighteen months). Thereafter, certificates will be valid for one year.

Applications will normally be processed within one calendar month of receipt of all of the necessary information, including references.

Enquiries regarding certificates, including requests for application forms, should be addressed to the Secretary, Practising Certificate Committee, Society of Actuaries in Ireland.

GUIDANCE RELATING TO APPROPRIATE PRACTICAL EXPERIENCE FOR SCHEME ACTUARIES

Any actuary, before accepting an appointment as a Scheme Actuary, must consider most carefully, in the light of his or her knowledge and experience, whether acceptance would be in line with proper professional behaviour and standards. No actuary should act as a Scheme Actuary without appropriate knowledge and practical experience relevant to the scheme concerned.

Experience requirements

An actuary who wishes to act as a Scheme Actuary must have had either:

- (i) a minimum period of three years holding the qualification on the basis of which Fellowship of the Society is held, or
- (ii) a minimum period of eight years practical actuarial experience, including a minimum of two years holding the qualification on the basis of which Fellowship of the Society is held.

These requirements may be waived in an individual case only if, in the opinion of the Practising Certificate Committee, there are exceptional circumstances in relation to that case.

The actuary must be able to demonstrate that his or her experience includes *recent appropriate practical experience* – normally, the equivalent of two years' relevant experience as a Fellow in the last five years, as described below.

Recent appropriate practical experience may normally include some experience of work which is equivalent to that described below but which relates to defined benefit pension schemes in other jurisdictions. However, a minimum of one year's recent appropriate practical experience relating to Irish defined benefit pension schemes will be required.

Recent appropriate practical experience

An applicant should normally be able to demonstrate the equivalent of two years' full-time experience as a Fellow in the last five years dealing with most of the following types of work at a level where he or she has worked closely with an existing Scheme Actuary or an actuary at an equivalent level:

- (i) carrying out actuarial valuations under Section 56 of the Pensions Act, 1990;
- (ii) providing Funding Certificates and Funding Standard Reserve Certificates under Section 44 of the Pensions Act, 1990;
- (iii) preparing Funding Proposals under Section 49 of the Pensions Act, 1990;
- (iv) providing Annual Actuarial Data Returns to the Pensions Authority;
- (v) calculating or specifying the basis of cash equivalents or transfer values under Section 34 of the Pensions Act, 1990.

Experience of the undernoted, assisting a scheme actuary or an actuary at an equivalent level, is useful but not sufficient on its own:

- (vi) calculating pension costs and related disclosures to be stated in company accounts;

- (vii) advising employers in purchase or sale negotiations as they affect pension schemes;
- (viii) advising employers in relation to funding of their pension schemes;
- (ix) carrying out an asset/liability study for a pension scheme and analysing the consequent investment requirements;
- (x) advising on an appropriate investment benchmark or an investment policy appropriate to the liabilities of a pension scheme;
- (xi) advising on appropriate insurance arrangements for a pension scheme;
- (xii) advising on the purchase of annuities to match liabilities for pensions;
- (xiii) advising on enhanced transfer value exercises;
- (xiv) advising on applications to the Pensions Authority under Section 50 of the Pensions Act or other scheme restructuring;
- (xv) advising on the wind-up of a pension scheme;
- (xvi) advising small pension schemes, both insured and self-administered; and
- (xvii) analysing the investment performance of a pension fund and commenting on the risks taken by investment managers or inherent in the investment policy.

Code of Professional Conduct

Actuaries are reminded of the requirements of the Code of Professional Conduct, and, in particular, paragraph 2.3 thereof (v 1.1 effective from 1st November 2012) which states:

"Members will not act unless:

- a) They have an appropriate level of relevant knowledge and skill; or
- b) They are acting on the advice of an individual who has the appropriate level of relevant knowledge and skill and all interested parties are aware that this is the case; or
- c) They are acting under the direct supervision of another member who is taking professional responsibility for that work."