



Society of Actuaries in Ireland

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 42 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 CPD period ending on the previous 31st August;
- (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 they have the appropriate knowledge and practical experience for the role of Scheme Actuary;
- (f) 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;
- (g) 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

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(h) 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 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 Ireland or elsewhere or refusal of any practising certificate application;
- (iii) being adjudged bankrupt by a Court in Ireland or elsewhere, where that bankruptcy remains undischarged;
- (iv) failure at any time to satisfy any debt adjudged to be due and payable under an order of a Court in 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 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 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.
- (viii) whether the Pensions Authority, or an equivalent authority in any jurisdiction, has raised any concerns about professional or actuarial issues in relation to work in which the applicant has been involved and whether, as a consequence, any material changes had to be made to the work concerned;
- (ix) whether any judgement or decree been given against the applicant (other than any to which they are entitled, as respects the whole effect of the judgement or decree upon them, to indemnity or relief from any other persons) which remains unsatisfied in whole or part; and
- (x) whether any of the provisions of the Companies Act 2014 dealing with disqualifications and restrictions as regards directors and other officers apply to the applicant.

Details of relevant experience must be provided when making an initial application for a 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.

Applications should be made using the website (link) and will normally be processed within one calendar month of receipt of all of the necessary information, including references.

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 their 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.

Going on Extended Leave

If a certificate holder goes on extended leave of at least 90 days and changes CPD Category to Category E, they must notify the Society that they wish to relinquish their Scheme Actuary Certificate. The Society will notify the Pensions Authority that the certificate has lapsed. The member will be required to satisfy relevant pro-rated CPD requirements for the year(s) ended 31 August whilst they are on leave. For example, a member who is in Category R for 8 months of the CPD year and Category E for 4 months must complete 8/12ths of the Category R CPD requirements.

Alternatively, the member can remain in Category R and meet the full CPD requirements for that category, in which event the Scheme Actuary Certificate remains valid until its expiry date.

Certificate Expiry while on Extended Leave

If a certificate expires whilst the certificate holder is on extended leave, and the certificate holder does not submit a renewal application, the Society will notify the Pensions Authority that the certificate has lapsed with effect from the expiry date.

Returning from Extended Leave

If a member whose certificate expired while they were on extended leave, and whose period of absence from work is not more than 18 months, wishes to submit an application for a Scheme Actuary Certificate on their return to work, they must complete 5 hours of CPD, to include 2 hours of role-relevant CPD, in the period commencing not more than 3 months before submitting their renewal application. They will be required to confirm in their application that they have met this requirement. They are not required to have 3 months' relevant experience in the 18-month period before submitting their application.

A member who submits an application for a certificate after a longer period of extended leave will be treated as making an initial application.

Enquiries regarding certificates 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 their 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 their experience includes *recent appropriate practical experience* – normally, the equivalent of two years' relevant experience as a Fellow in the last four years (and at least 3 months in the last 18 months) 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 four years (and at least 3 months in the last 18 months) dealing with most of the following types of work at a level where they have 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 2.1 which states:

Members must ensure they have an appropriate level of relevant knowledge and skill to carry out a piece of work.