



Society of Actuaries in Ireland

ACTUARIAL STANDARD OF PRACTICE PA-1

CONTINUING PROFESSIONAL DEVELOPMENT (CPD)

Classification

Mandatory

MEMBERS ARE REMINDED THAT THEY MUST ALWAYS COMPLY WITH THE CODE OF PROFESSIONAL CONDUCT AND THAT ACTUARIAL STANDARDS OF PRACTICE IMPOSE ADDITIONAL REQUIREMENTS UNDER SPECIFIC CIRCUMSTANCES.

Legislation or Authority

Council of the Society of Actuaries in Ireland

Application

Fellow and Associate members of the Society of Actuaries in Ireland

Version	Effective from
1.0	06.09.2006
1.1	30.12.2006
1.2	01.11.2010
1.3	01.07.2014
1.4	02.02.2016
1.5	01.07.2017

Definitions

‘Code’	means the <i>Society’s</i> Code of Professional Conduct
‘CPD year’	means the year from each 1 July until the following 30 June
‘CBI’	means the Central Bank of Ireland

‘Domestic Actuarial Regime’	means “Domestic Actuarial Regime and Related Governance Requirements under Solvency II” as issued by the <i>CBI</i> in 2015 or (if applicable) as subsequently amended
‘documentary evidence’	means evidence of participation in a specified CPD activity, and may include receipts for courses, handouts or registration packs, attendance certificates or other written confirmation of attendance from the event organiser, or a copy of the relevant travel expenses form. One form of <i>documentary evidence</i> will usually be sufficient for each activity.
‘learning outcome’	means the knowledge and/or skills which one gains as a result of taking part in a particular activity
‘personally-assessed activities’	means any activities that are not <i>verifiable activities</i>
‘professionalism skills’	means skills related to professional ethics, and the standards that the public and those who employ actuaries expect of a member of a leading profession. They include an understanding of how the profession implements such standards and an appreciation of what this means in practice.
‘service to the <i>Society</i> ’	means participation in work carried out by the <i>Society</i> to deliver on its goals and objectives. This can be done by, for example, being a volunteer member of one of the <i>Society</i> ’s committees/working parties or presenting at <i>Society</i> events.
“should normally” and, where the context requires, “should”	indicate that members of the <i>Society</i> to whom this Actuarial Standard of Practice (ASP) applies must comply with a particular requirement or prohibition, unless the circumstances are such that the requirement or prohibition is inappropriate and non-compliance is consistent with the standards of behaviour, integrity, competence and professional judgement which other members or the public might reasonably expect of a member
‘Society’	means the Society of Actuaries in Ireland
‘technical skills’	means knowledge and techniques directly relevant to the industry and commercial environment in which an individual is working, including learning about new methodology, training to use existing methodology better, and learning about developments in the business environment and new regulatory requirements. Most events run by the <i>Society</i> provide ‘technical’ CPD.

‘verifiable activities’ means those where either the activity itself, or its outcome, is observed by others. Without prejudice to the generality of the previous sentence, this includes attending *Society* meetings or other public, formal events, studying a course for an examination which is subsequently passed and preparing material which is published in the public domain.

‘wider fields members’ means members of the *Society* who do not:

- (a) work in the financial services sector, or
- (b) provide advice or services in relation to pension funds, or
- (c) provide actuarial education.

1 Introduction

1.1 The purpose of the CPD requirements set out in this ASP is:

1.1.1 to ensure that all actuaries develop and maintain the professional skills they need; and

1.1.2 to ensure that others can confidently trust that they have done so.

1.2 The principles underlying the CPD requirements are as follows:

1.2.1 It is important to continue to develop as professionals. Consequently, all working actuaries must complete appropriate CPD each year and keep records that allow them to demonstrate that they have done so.

1.2.2 Actuaries need to discuss, share and debate ideas with others, including those outside their normal work colleagues and clients.

1.2.3 Actuaries need to consider their own developmental needs and plan future learning appropriately.

1.2.4 There is a full range of activities that can contribute to an actuary’s development. It may be necessary and desirable for actuaries to undertake CPD activities from outside the actuarial profession, including those provided by employers.

2 CPD categories and exemptions/averaging

2.1 Fellow and Associate members fall into one of five categories for the purpose of determining the amount and type of CPD they are required to complete to satisfy the *Society*’s requirements.

The CPD categories are:

- Category 1 All actuaries who
- (a) hold a practising certificate issued by the *Society*; or
 - (b) have been appointed as Head of Actuarial Function for the purposes of compliance with the *Domestic Actuarial Regime*; or
 - (c) act as Reviewing Actuary for the purposes of compliance with:
 - regulations made under Section 51A of the Pensions Act, 1990, or
 - the *Domestic Actuarial Regime*, or
 - “Reserving Requirements for Non-Life Insurers and Non-Life and Life Reinsurers”, as issued by the *CBI* in 2014.
- Category 2A All actuaries who have been appointed to a *CBI* Pre-Approval Controlled Function role, (excluding those roles already included in Category 1), including but not limited to Executive director, Non-executive director or Chief Risk Officer.
- Category 2B All actuaries who are working on a paid or voluntary basis and who are not in Category 1 or Category 2A, other than *wider fields members* who have elected to be in Category 2C.
- Category 2C All actuaries who are *wider fields members* and are working on a paid or voluntary basis and have elected to be in Category 2C.
- Category 3 All actuaries who are not in work (because, for example, they are retired or on a career break).

2.2 It should be noted that Category 3 does not include actuaries who work only in a part-time or voluntary capacity or whose work is wholly non-actuarial. Actuaries who continue to work fall within one of the first four categories; the requirement for competence is not waived merely because the actuary works in a non-actuarial area, works less than full-time or works in a voluntary unpaid capacity.

2.3 Exemptions and averaging:

2.3.1 Requests for exemption from some or all of the requirements of this CPD Scheme will be considered on a case by case basis. Exemptions will be granted only in exceptional circumstances (such as long-term illness) and may be subject to such conditions as the *Society* decides.

2.3.2 The CPD requirements must be fulfilled each year unless, by exception in limited circumstances, the *Society* gives permission for averaging over a period of up to 3 years. Averaging will not normally be allowed for actuaries in Category 1 or 2A.

2.3.3 Where possible (i.e. except in circumstances that could not reasonably be anticipated), exemptions and averaging must be agreed in advance by the *Society*. Applications must be submitted in writing (/by email) to the *Society* and may be automatically refused if not submitted by 31 January in the relevant *CPD year*.

3 CPD requirements

3.1 General requirements

- 3.1.1 Actuaries must complete such training on *professionalism skills* as may be required by the *Society* from time to time, details of which will be published on the *Society's* website. Actuaries may count such prescribed training towards their annual CPD requirement.
- 3.1.2 CPD excludes day-to-day work activities that form a normal part of an actuary's role. Actuaries must not count work activities as CPD unless they can demonstrate that the activities in question are non-routine and contribute in a substantive way to the actuary's professional development.
- 3.1.3 From time to time, the Society may suggest and/or require learning on designated topics.

3.2 Category 1 Requirements

- 3.2.1 Actuaries in Category 1 must undertake no less than 25 hours of CPD activities within each *CPD year*.
- 3.2.2 Of those 25 hours:
 - (a) A minimum of 20 hours must be from *verifiable activities*;
 - (b) A minimum of 20 hours must relate to *technical skills* that are relevant to the actuary's practice area;
 - (c) CPD activities relating to *technical skills* should normally include some activities that are specifically relevant to the particular responsibilities attaching to the actuary's role;
 - (d) At least 10 hours must be obtained by attendance at events that are not attended wholly or mainly by members of the same firm.
- 3.2.3 Actuaries in Category 1 may claim up to 15 hours of CPD for *service to the Society* that contributes to their continuing professional development.
- 3.2.4 There is a requirement for breadth of activity, so there must be at least four distinct entries overall on the member's CPD record form when complete, with at least two distinct entries in the *technical skills* section.

3.3 Category 2A Requirements

- 3.3.1 Actuaries in Category 2A must undertake no less than 25 hours of CPD activities within each *CPD year*.
For this purpose, subject to 3.3.2, any learning activities undertaken that are directly relevant to the actuary's particular (actuarial or non-actuarial) role and contribute to the

knowledge, skills and professionalism required for that role, or contribute more generally to the actuary's technical or professional development, may be counted as CPD.

3.3.2 Of the required 25 hours:

- (a) A minimum of 15 hours must be from *verifiable activities*;
- (b) A minimum of 20 hours must be relevant to the actuary's practice area(s) or role;
- (c) At least 10 hours must be obtained by attendance at events that are not attended wholly or mainly by members of the same firm.

3.3.3 Actuaries in Category 2A may claim up to 15 hours of CPD for *service to the Society* that contributes to their continuing professional development.

3.3.4 There is a requirement for breadth of activity and so there must be at least four distinct entries overall on the member's CPD record form when complete, with at least two distinct entries in the *technical skills* section.

3.4 Category 2B Requirements

3.4.1 Actuaries in Category 2B must undertake no less than 20 hours of CPD activities within each *CPD year*.

For this purpose, subject to 3.4.2, any learning activities undertaken that are directly relevant to the actuary's particular (actuarial or non-actuarial) role and contribute to the knowledge, skills and professionalism required for that role, or contribute more generally to the actuary's technical or professional development, may be counted as CPD.

3.4.2 Of the required 20 hours:

- (a) A minimum of 10 hours must be from *verifiable activities*;
- (b) A minimum of 15 hours must be relevant to the actuary's practice area(s) or role;
- (c) At least 5 hours must be obtained by attendance at events that are not attended wholly or mainly by members of the same firm.

3.4.3 Actuaries in Category 2B may claim up to 15 hours of CPD for *service to the Society* that contributes to their continuing professional development.

3.4.4 There is a requirement for breadth of activity and so there must be at least four distinct entries overall on the member's CPD record form when complete, with at least two distinct entries in the *technical skills* section.

3.5 Category 2C Requirements

3.5.1 Actuaries in Category 2C must undertake no less than 10 hours of CPD activities within each *CPD year*.

For this purpose, subject to 3.5.2, any learning activities undertaken that are directly relevant to the actuary's particular (actuarial or non-actuarial) role and contribute to the knowledge, skills and professionalism required for that role, or contribute more generally to the actuary's technical or professional development, may be counted as CPD.

3.5.2 Of the required 10 hours, a minimum of 5 hours must be from *verifiable activities*.

3.5.3 Actuaries in Category 2C may claim up to 7 hours of CPD for *service to the Society* that contributes to their continuing professional development.

3.6 Category 3 Requirements

3.6.1 Members are not obliged to complete CPD if in Category 3 for the full *CPD year*.

3.6.2 Any actuary who is retired or on a career break during the *CPD year* and wishes to avail of the provisions of paragraph 3.6.1 (if applicable) or 3.9.1 must ensure that his or her Category 3 status is recorded in the "My CPD" section of the member's profile on the *Society's* website.

3.7 Alternative arrangements for actuaries practising outside Ireland

3.7.1 The *Society* may at its discretion recognise the CPD requirements of actuarial bodies outside Ireland as being equivalent to the requirements of this ASP, in which event an actuary in Category 2B or 2C who practises wholly or mainly in one of the countries concerned and whose practice is governed by those bodies may treat completing those requirements as fulfilling the requirements of this ASP. However, not later than eight weeks after the end of the *CPD year*, the actuary must inform the *Society*, in such form as the *Society* may require, that he or she has adhered to the other actuarial body's CPD requirements.

3.8 Changes in Category

3.8.1 An actuary who wishes to apply for a practising certificate issued by the *Society* should normally fulfil the Category 1 requirements in the 12 months before he or she applies. At the *Society's* discretion, an actuary moving to Category 1 may be required to set out a plan to fulfil the Category 1 CPD requirements as quickly as possible.

3.8.2 An actuary who moves from Category 3 to another Category should normally consider whether or not he or she needs a significant extra CPD programme.

3.9 Career breaks, maternity, parental and adoptive leave and other absences from work

3.9.1 An actuary who is absent from work for more than three consecutive months in any one *CPD year* and who is not actively seeking work during that time may transfer to Category 3 for the period during which he or she is not working. In this event:

- (a) If the actuary holds a practising certificate issued by the *Society*, the practising certificate will lapse on the effective date of the transfer to Category 3;
- (b) The actuary must undertake a proportionate amount of CPD, subject to a minimum (which may comprise *verifiable activities*, *personally-assessed activities* or a mixture of both) of 5 hours if any part of the year is spent as a Category 1, 2A or 2B member, or 2.5 hours if the member is a Category 2C member, in respect of that *CPD year*; and
- (c) Paragraph 3.6.2 applies.

4 Recording CPD

- 4.1 All actuaries must ensure that the correct CPD Category is recorded in the “My CPD” section of the member’s profile on the *Society*’s website.
- 4.2 Actuaries, including actuaries practising outside Ireland, other than those who are in Category 3 throughout the *CPD year*, must keep a record of their CPD activities. They must also keep supporting *documentary evidence* relating to *verifiable activities*, other than attendance at events organised by the *Society*, for three years and must submit such *documentary evidence* to the *Society* on request in such form as the *Society* may require.
- 4.3 All actuaries who are required to do CPD, other than those to whom paragraph 3.7.1 applies, must submit a CPD record in respect of each *CPD year* not later than eight weeks after the end of the *CPD year*.
- 4.4 If an actuary wishes to complete some of the requirements through *personally-assessed activities*, he or she must explain the activity in more detail and briefly describe, in the “learning outcome” section of the CPD submission, how it met the objective of developing or maintaining the actuary’s professional skills.
- 4.5 It is not necessary to record all CPD undertaken, provided that the minimum requirement has been met. It is, however, best practice to record all *verifiable activities*. If more than the minimum is included on the member’s CPD submission, it will be easier to verify that the minimum has been met and any items of marginal acceptability will matter less. This is particularly important if permission to average CPD is ever requested.

5 Monitoring and compliance with Code

- 5.1 This ASP is classified as “Mandatory” and, in accordance with the *Code*, any material failure to comply with its requirements may result in investigation and possible public sanction under the *Society*’s Disciplinary Scheme.
- 5.2 All actuaries are required to submit an annual declaration to the *Society* stating, if it is the case, that, in respect of the previous or current *CPD year* (as applicable), they have adhered to the CPD requirements.

5.3 Each year, a sample of CPD records for all Categories, including members practising outside Ireland, will be subject to detailed review, the actuaries concerned being asked to submit *documentary evidence* of their CPD, other than attendance at events organised by the *Society*.

6 Failure to submit details of CPD

6.1 Any actuary who fails to submit full and accurate information to the *Society* in accordance with paragraph 3.7.1 or paragraph 4.3 (as applicable) within eight weeks of the end of the relevant *CPD year*, or such later date as the *Society* may at its discretion permit, may, as an alternative to referral under the *Society's* Disciplinary Scheme, be offered the opportunity to submit the relevant information before a later deadline subject to payment of an administration fee of such amount as Council of the *Society* may from time to time decide.

6.2 If an actuary fails to submit full and accurate CPD returns to the *Society* in accordance with this ASP on more than two occasions within any five year period, the *Society* may refer the matter for investigation and possible public sanction under the *Society's* Disciplinary Scheme, regardless of whether or not the actuary has been offered and has availed of an extension in accordance with paragraph 6.1.

EXPLANATORY NOTE

ACTUARIAL STANDARD OF PRACTICE PA-1, VERSION 1.5

This Explanatory Note does not form part of the ASP.

Version 1.5, which replaces Version 1.4, introduces revised CPD Categories to take into account the discontinuance of voluntary practising certificates for Heads of Actuarial Function / Reviewing Actuaries from end November 2016, and the introduction of different requirements for “wider fields members”.

Category 1, which previously was applicable only to practising certificate holders, has been expanded to include members who have been appointed as Head of Actuarial Function for the purposes of compliance with the Domestic Actuarial Regime or who act as Reviewing Actuary for the purposes of compliance with:

- o regulations made under Section 51A of the Pensions Act, 1990, or
- o the Domestic Actuarial Regime, or
- o “Reserving Requirements for Non-Life Insurers and Non-Life and Life Reinsurers”, as issued by the CBI in 2014.

The existing requirement that a minimum of 3 hours of verifiable activities must be technically relevant to the practising certificate role has been replaced with a less prescriptive requirement that CPD activities relating to technical skills should normally include some activities that are specifically relevant to the particular responsibilities attaching to the actuary’s role.

A new Category 2A applies to members who have been appointed to a CBI Pre-Approval Controlled Function role, (excluding those roles already included in Category 1), including but not limited to Executive director, Non-executive director or Chief Risk Officer.

The CPD requirement for members in Category 2A is 25 hours per year, including at least 15 hours of verifiable activities.

A new Category 2C has been introduced for “wider fields members” who do not

- (a) work in the financial services sector, or
- (b) provide advice or services in relation to pension funds, or
- (c) provide actuarial education.

The CPD requirement for wider fields members who elect to be in Category 2C is 10 hours, with at least 5 hours being verifiable activities. A member who is working in wider fields may decide to retain Category 2B membership in case he/she wishes to have the ability to revert to, or work partly in, the more traditional areas.

Members previously in Category 2 who do not now fall under Category 2A or 2C will become members of Category 2B.

There are also some changes to wording designed to clarify the provisions in relation to temporary absence and the availability of exemptions.

The treatment of career break, maternity leave etc. is amended so that a member in any category who is absent for a period of at least 3 consecutive months may choose to transfer to Category 3 for the period during which he/she is not working, and meet a pro-rata CPD requirement for that year. This was not previously applicable to Category 1 members. Under the new provisions, if a practising certificate holder elects to transfer to Category 3, the practising certificate would be lapsed and he/she would have to apply for a new certificate on his/her return to work.

Paragraph 2.3 relating to exemption from the requirements has been redrafted to make it clear that this will be granted only in exceptional circumstances.

A “tracked changes” version of Version 1.5 is available on request – please email the Society at info@actuaries.ie.