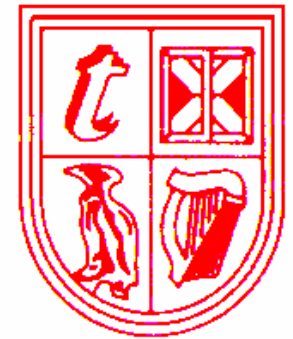


# SOCIETY OF ACTUARIES IN IRELAND

## Statement of Reasonable Projection



# Information to be given in SORP

- Current rates of contribution
- Value of Fund
- Pension in today's terms e.g. €20,000 p a (may also add % of salary and tax free cash and residual pension) assuming contributions continue
- Pension in today's terms if contributions stopped

# Information to be given in SORP

- Guide to life expectancy e g 19 years
- RIY due to charges
- Not much more

# Aims of Pensions Board

as deduced by B Johnston

- Primary aim-give members an idea of income in retirement.
- Secondary aim- give members an idea of effect of charges
- Be a clear communication by reducing content
- Have regard to the cost of production by allowing approximations that, for example, can underestimate the projection.
- No requirement for actuarial input. Trustees have to produce SORPs in line with the Guidance Note.

# Problems for SAI

- How to write a Guidance note that Trustees will follow rather than Actuaries
- Written into legislation with the trustees required to make sure they comply. SAI will not supervise trustees
- How to allow for approximate methods
- Proposal is that this will be allowed by legislation
- How to allow for risk deductions
- Current rates to apply making allowance for rates changing with age

# Problems for SAI

- Investment- notional or actual investment mix
- Actual
- Consistency with other Guidance
- Consistent but taking the opportunity to look at annuity assumptions coming close to retirement

# Problems for Trustees

- Do they need an actuary?
- No but a lot of trustees will look for actuarial advice. Standard programs might be developed
- What are the investment charges within the funds
- Talk to the fund manager ensuring the fund manager is told what has to be counted.
- When do they need to produce the first SORP
- Theoretically now for leavers etc and annual statements for scheme years beginning on or after 1<sup>st</sup> January 2009 (check this point for yourselves!!!)