**Financing Occupational Schemes**

**Test**

1. Who must make contributions to an occupational pension scheme that is not in surplus?

1. The employee
2. The employer
3. The employer and the employee
4. No-one

2. In defined benefit schemes a regular actuarial valuation is carried out, and this is based on certain assumptions made by the actuary.

Which of the following assumptions are demographic, rather than economic? (choose three)

1. Death in service
2. Early retirement
3. General salary inflation
4. Pensions increases
5. Salary progression

3. Depending on whether the scheme is ongoing or not there are three methods of securing benefits. What are they?

(choose three)

1. Buying lifetime annuities and/or deferred annuities
2. Offering a tax free cash lump sum
3. Paying cash equivalent transfer values
4. Providing the benefits directly from the scheme (scheme pension/cash)
5. Removing scheme balance to an off-shore account

4. Can you complete this advice?

As part of a Scheme Specific Funding valuation introduced by the \_\_\_\_\_\_(a) \_\_\_\_\_\_, a  \_\_\_\_\_\_(b)\_\_\_\_\_\_\_\_ must be produced setting out the Trustees policy for ensuring the Statutory Funding Objective is met.

If the Statutory Funding Objective is not met then a \_\_\_\_\_(c)\_\_\_\_\_\_\_\_ must be prepared detailing the steps to be taken to meet the statutory funding objective and the period within which that is to be achieved.

An \_\_\_\_\_\_\_\_(d)\_\_\_\_\_\_\_\_\_\_ is signed by the Actuary certifying that the calculation of the Scheme's Technical Provisions is made in accordance with the regulations.

A \_\_\_\_\_\_\_(e)\_\_\_\_\_\_\_\_\_\_ showing the rates of contribution payable towards the scheme by the employer and the active members must also be produced.

Choose one answer from each section to fill the relevant gap.

(a) Finance Act 2004

Pensions Act 1995

Pensions Act 2004

(b) Statement of Funding Principles

Schedule of Investment Principles

Schedule of Contributions

(c) Schedule of Contributions

Recovery Plan

Contribution Plan

(d) Actuarial Certificate

Actuarial Schedule

Actuarial Statement

(e) Recovery Plan

Schedule of Contributions

Statement of Funding Contributions