

**Strategy, Information
and Pensions**

**Draft guide to valuation
template**

The Financial Assistance Scheme

CONSULTATION 2010

Draft guide to valuation template

Introduction

- (i) This document forms part of the Government's consultation on guidance relating to the transfer of assets from certain FAS schemes to government. It should be considered alongside the draft guidance titled '**Method and assumptions to use when undertaking a valuation under Regulation 22 of the FAS Regulations**' (published as a separate document and referred to below as 'the Asset Share guidance').
- (ii) This document contains draft guidance to completing a data template describing the information required to meet FAS valuation requirements in line with the Asset Share guidance. The draft data template has been published as a separate Microsoft Excel document.
- (iii) The data template that has been published for consultation only applies to schemes that started to wind-up between 6 April 1997 and 5 April 2005 and the following guidance only relates to schemes with wind-up dates in this period. If the scheme's wind-up date is before or after these dates, a different template and guidance will be required. It is intended that the format of these alternative templates will be very similar to that included in the consultation but will reflect the different priority orders that apply for these schemes.
- (iv) The Government appreciates that some personal information relating to scheme beneficiaries will need to be collected as part of the valuation process. The FAS Scheme Manager is currently developing a secure method via which the data template can be submitted and final guidance will provide further information on this method.

Consultation question

- Q) The Government welcomes responses on the valuation template and the completion guidance. Responses are particularly welcomed on practicability.**

The consultation period runs from 28 January to 10 March 2010.

Guide to valuation template

Introduction

1. Regulation 22 of The Financial Assistance Scheme (FAS) Regulations 2005 (SI 2005/1986), as amended, requires that the FAS scheme manager instruct the trustees or managers of relevant schemes to obtain a valuation of the scheme's assets, scheme's liabilities and the asset shares for relevant Beneficiaries. This guidance sets out the manner and form in which this information is to be provided by the Valuation Actuary. Separate guidance documents set out how relevant accounts should be prepared and how asset shares should be calculated. Those documents should be considered alongside this guidance.
2. The information required is to be provided in the form of an Microsoft Excel spreadsheet referred to as the "validation template". No formal report will be required to accompany this template. However, the template provides the opportunity for the Valuation Actuary to give additional written information on their treatment of assets and liabilities where necessary.
3. Any information which is not requested in the template should be viewed as immaterial for the purposes of the BAS Standard on Reporting Actuarial Information (TAS R). It is therefore not necessary to submit any information in addition to that provided in the template in order to comply with the TAS R, except at the request of the FAS scheme manager.
4. All references to regulations in this guidance are to The Financial Assistance Scheme (Miscellaneous Amendments) Regulations 2005 ("the Regulations") as they would be amended by the draft Financial Assistance Scheme (Miscellaneous Amendments) Regulations 2010, except where stated otherwise.
5. Version [T1] of the template should only be completed if the scheme's wind-up date is between 6 April 1997 and 5 April 2005. If the scheme's wind-up date is before or after these dates, please contact your caseworker who will give you further instructions on how to provide the necessary data. Please note that in these cases the majority of the data required will be the same as and in the same format as that set out in template [T1].

Who completes the validation template

6. The validation template should be signed off and submitted by the Valuation Actuary, as defined in Regulation 22(5)(a).

Where to send validation information

7. The Regulations require the trustees or scheme managers to obtain the valuation, however it is anticipated that trustees may not always wish to receive

a copy of the results and that in many cases it will be pragmatic for the results to be submitted by the actuary directly to the FAS scheme manager.

8. Valuation Actuaries should discuss preferred arrangements with the trustees or managers of the scheme.
9. The validation template along with a signed copy of the audited accounts (if available) should be sent to the FAS scheme manager (whether by the Valuation Actuary or the trustees or managers of the scheme) at the following email address: **[email address to be published in final guidance]**.
10. Any queries prior to submitting the validation template should be raised with the FAS caseworker.
11. Once the FAS scheme manager has approved the valuation then it will provide a copy of the valuation to the trustees and the trustees will have opportunity to review the contents.

Process Map

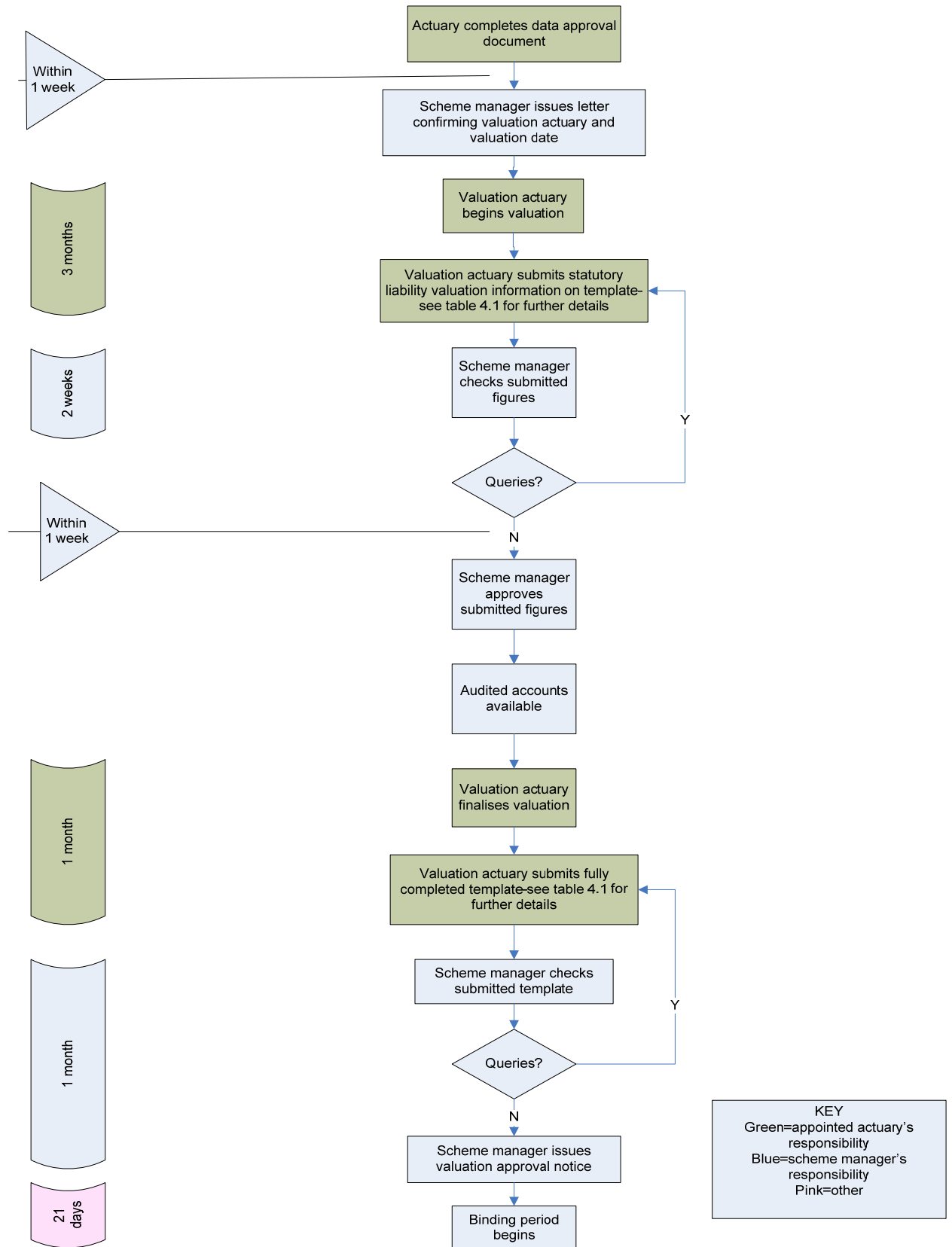
12. The following flowchart gives an overview of the valuation and validation process.
13. The validation template may need to be completed in two stages, depending on the availability of audited accounts. If audited accounts are not available before valuation of statutory liabilities has been completed, firstly information on the liabilities calculated on the statutory priority order will be submitted and checked. Once asset values from the audited accounts are available, the remainder of the template can be completed and submitted.
14. If the scheme is funded above the statutory level, additional priority classes will need to be generated based on the scheme's rules. In most cases it will not be possible to do this until audited asset information is available. However, if the Valuation Actuary anticipates that this may be the case, they should initially value the liabilities on the statutory basis and any additional priority classes that it is anticipated will have some coverage and submit the first draft of the validation template based on this valuation. Once asset information is available, liabilities and priority classes can be updated as necessary.
15. If the Valuation Actuary anticipates that certain statutory or non-statutory priority classes will not be covered by the assets, then it is not necessary to calculate or report the liabilities in those priority classes. If the audited accounts subsequently show that there is coverage in these priority classes, then these liabilities will need to be calculated and reported.
16. The following table sets out which elements of the validation template should be completed if audited accounts have not been finalised and the template is being submitted in two stages.

17. Table showing elements to complete for first submission:

Tab	Elements to complete
Priority Order	All except "Do scheme assets exceed liabilities on statutory basis" & the non-statutory priority orders if these liabilities have not been determined.
Assets	None.
Beneficiary numbers	All except "Beneficiary Reconciliation between Valuation and Accounts" section.
Basis	All except "Assumptions for non-statutory priority orders" sections if this part of the calculation has not been determined.
Valuation Summary	Sections 1-10 and 12-14.
Category 1 Data	All except "Total Buyout liability".
Category 2 Data	All except "Total Buyout liability".
Category 3 Data	All except "Total Buyout liability".
Insured Pensioner Assets	All.
Insured Non-pensioner Assets	All.
Individual results	All (NB additional liabilities in later classes may need adding once accounts are available if assets exceed the liabilities initially calculated).
Validation	Complete for all errors/warnings generated in respect of data provided.

Process map – responsibilities and timescales for completing FAS valuation and validation

Indicative Timescales



Completing the validation template

18. The validation template spreadsheet is broken down into a number of separate tabs. Detailed guidance on how to complete each tab follows.
19. Not all fields in the validation template need to be completed for every scheme. The template is automatically formatted to indicate the fields which should be completed for a specific scheme, based on the basic data entered. Only grey fields should be completed.
20. The validation template performs a number of automatic checks on data and results entered. This is intended to ensure that, where possible, problems are identified before the validation template is submitted to the FAS scheme manager. The results of these checks are illustrated on the **Validation** tab. These may indicate that further information is required in order for the FAS scheme manager to validate the valuation. If so, a request for further information will appear. If the Valuation Actuary cannot provide the required additional information or believes that it is not necessary, they should contact the scheme caseworker in the first instance. Further details are provided under section 17 on the **Validation** tab.
21. As outlined in the process map, the valuation process may be completed in stages. Once the statutory liability valuation is completed, sections of the **Priority order**, **Beneficiary number**, **Basis**, **Category 1 data**, **Category 2 data**, **Category 3 data**, **Individual results**, **Insured Pensioner Assets**, **Insured Non-pensioner Assets** and **Validation** tabs can be completed and submitted. Full details are given in table 4.1. Once valuation of the assets is complete, the **Assets** tab can be completed and the remaining tabs updated as necessary.
22. All monetary amounts should be entered to the nearest pound.

Priority order tab

23. The **Priority order** tab requests basic information about the scheme's wind-up. Based on the information provided, the template will automatically generate the statutory priority order for the scheme. If the Valuation Actuary disagrees with the priority order generated, they should raise this on the **Valuation Summary** tab.
24. If the scheme's assets exceed liabilities on the statutory basis, further priority classes based on scheme rules will need to be generated, as per Section 3 of the Asset Share guidance. These priority classes should be entered on the **Priority order** tab. It is expected that this part of the process cannot be completed until the valuation of assets has been completed.
25. The Valuation Actuary should select the basis used and enter the "adjusted liability" (as defined in the Asset Share guidance) for each priority class. The template automatically calculates the coverage of each priority class.

26. The correct basis applying to each category of liability will depend upon the date the scheme commenced winding-up and therefore which version of the Occupational Pension Schemes (Winding Up) Regulations 1996 (SI 1996/3126) (the “Winding Up Regulations”). In some cases, the Winding Up Regulations require the use of assumptions set out in the Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulation 1996 (SI 1996 /1536 with certain modifications (“MFR basis”). Wherever the MFR basis applies, Regulation 4(4)-4(5) of the Winding Up Regulations - or 4(5)-4(8) as the case may be - allow the Valuation Actuary to adopt a basis which is not the standard MFR basis if, in their opinion, certain liabilities could not be satisfied by applying assets of equal value. If the Valuation Actuary wishes to adopt this approach, they will need to confirm the reason for doing so in the valuation template. If the Valuation Actuary is considering taking this approach, trustees or pension scheme managers should contact their FAS caseworker to discuss this before submitting the valuation.

Priority order glossary

Data item	When to complete	How to complete
Gilts matched-deferred members	Always	<ul style="list-style-type: none"> • If the trustees' policy is to meet all liabilities in respect of deferred members from investments in gilt-edged securities, as defined in MFR Regulation 7(9), this field should be “Y”. • Otherwise it should be “N”
Crystallisation Date	Always	<ul style="list-style-type: none"> • As described in section 2 of the Asset Share guidance, this is defined in paragraph 4 of the Winding Up Regulations and will usually be the effective date of the start of the winding up process
Basis used	Always	<ul style="list-style-type: none"> • Enter MFR or Buyout or Mixed • Mixed means that an MFR basis has been used in a priority class for some Beneficiaries and buyout for others. This is expected to only apply to AVCs.

Assets tab

27. The **Assets** tab requests the total asset figure in the scheme's audited accounts. It also requests details of any adjustments to this figure in order to calculate the final asset figure.
28. Fields should only be completed where an adjustment has been made under the relevant section of this guidance or regulations referred to in the template. Deductions from the asset figure in the accounts should be entered as negative figures. Additions to the asset figure in the accounts should be entered as positive figures
29. Regulations 22 and 23 list a number of adjustments the Valuation Actuary may make to the value of the scheme's assets in the accounts. Regulation 24 provides that the FAS scheme manager may instruct the actuary to adopt a particular value for an asset. If the Valuation Actuary has made any such adjustments under either of these Regulations, they should provide full details of such adjustments. If the adjustment does not fall under any of the specific sections of regulations listed, the actuary should also include a reference to the specific regulation under which the adjustment has been made and reference to any relevant section of guidance.
30. The template will automatically calculate a final asset figure based on the asset figure in the accounts and all adjustments made. The Valuation Actuary should confirm on the **Valuation summary** tab that they agree with this figure.
31. In certain exceptional circumstances the FAS scheme manager may waive the requirements to obtain audited accounts. In these circumstances the value used by the Valuation Actuary should be input as highlighted in the template and supporting documentation should be provided.

Beneficiary numbers tab

32. The **Beneficiary numbers** tab collects information on Beneficiary numbers, broken down into different categories. These categories are referred to as categories 1,2 and 3 – see **Category 1 Data**, **Category 2 Data** and **Category 3 Data** tabs for an explanation of how to determine the category for a Beneficiary. It also contains a reconciliation between Beneficiary numbers in the audited accounts and the valuation.
33. The Beneficiary summary table shows the number of Beneficiaries included in the valuation, broken down into different categories. This should match the total number of individual records completed on the **Individual Results** tab.
34. To complete the reconciliation section the following information should be provided:

- Beneficiaries included in the valuation who have died prior to the calculation date and who have been excluded from the member summary in the accounts; and
 - Beneficiaries excluded from the valuation membership but who have been included in the member summary in the accounts. This could include Beneficiaries to whom annuity policies have been individually assigned or whose defined benefit liabilities are discharged outside the asset transfer process.
35. If the result of the reconciliation indicates that there is a discrepancy between the number of Beneficiaries included in the valuation compared with the total shown in the accounts, please provide an explanation for the difference.

Basis tab

36. The **Basis** tab sets out the financial and demographic assumptions used to calculate the liabilities.
37. Assumptions used for statutory priority classes should all be completed. If the scheme has purchased annuities for Beneficiaries which are classified as scheme assets, assumptions for insured assets may need to be completed if they differ from those for Beneficiaries under the statutory basis. Assumptions for non-statutory priority classes should only be completed where the scheme's assets exceed the liabilities on the statutory wind-up basis. Further details on the valuation of assets can be found in the accounts guidance.

Basis glossary

Data item	When to complete	How to complete
Discount rate in deferment/payment	Always	Please enter as a percentage
Mortality table	Always	Please select the appropriate values from the drop down list
Proportion married	Always	<ul style="list-style-type: none"> • The proportion married assumption will depend on provisions for survivors in scheme rules. Possible assumptions are set out in the Asset Share guidance Section 4; the assumption selected will depend on the entry in "Do the scheme rules provide for a survivor's pension to be paid to a surviving partner" • Please provide as a percentage

Data item	When to complete	How to complete
Do the scheme rules provide for a survivor's pension to be paid to a surviving partner	Always	<ul style="list-style-type: none"> • If the scheme rules provide for a survivor pension to be paid to an adult other than a legal spouse or civil partner, enter "Y" • Otherwise enter "N"
Deferred Revaluation Assumption	All schemes with liabilities in respect of deferred members	<ul style="list-style-type: none"> • The descriptions of the assumptions correspond to those set out in Asset Share guidance Section 4 • If an assumption used does not fall under any of the methods set out in the Asset Share guidance, please enter "Other" and provide further details on revaluation method • The assumption used should be based on the MFR or buy-out basis as appropriate • Please provide cap and/or floor as a percentage
Pension Increase Assumption	Always	<ul style="list-style-type: none"> • The descriptions of the assumptions correspond to those set out in Asset Share guidance Section 4 • The assumption used should be based on the MFR or buy-out basis as appropriate • If an assumption used does not fall under any of the methods set out in the Asset Share guidance, please enter "Other" and provide further details on increase method • Please provide cap and/or floor as a percentage
MVA	All schemes with benefits assessed on the MFR basis	Please enter the market value adjustments used as defined in the relevant version of GN27.
Expenses	All schemes with benefits assessed on a buy-out basis	Please enter the percentage expense allowance

Valuation summary tab

- 38. The **Valuation summary** tab confirms that various elements of the valuation have been performed in line with relevant regulations and guidance. It also provides information which enables the FAS scheme manager to track the progress of the valuation.
- 39. As set out in the table below, only certain sections may need to be completed for the first submission of the template. In such circumstances, the remainder can only be completed once audited asset figures are available.
- 40. If the Valuation Actuary is aware that any aspect of the valuation has not been prepared in line with the relevant regulations and guidance, they should contact their FAS caseworker to discuss the approach taken before they submit the validation template.

Valuation summary glossary

Data item	When to complete	How to complete
4. Version of draft submitted	Always	<ul style="list-style-type: none"> • Enter text in the format X.Y • The template submitted could be a first draft i.e. asset data unavailable and not all elements have been completed. In this case, X=1 • If it is a second draft, i.e. all elements have been completed , X=2 • In some cases, the Scheme Manger may identify errors and require the Valuation Actuary to resubmit a first or a second draft. To keep track of multiple submissions, use Y to indicate what draft number it is. • For example, the first draft submitted will always be 1.1. The first version of a second draft will be 2.1
9. Version of template used	Always	The first version of the template released is version T1. In future, the template may be updated and new versions released. The latest version will always be available on the FAS section of the PPF website.

Category 1 data tab

41. The **Category 1 data** tab collects summary information on the liabilities for category 1 Beneficiaries. These are pensioner members and dependants who were entitled to receive payments from the scheme at the crystallisation date.
42. When deciding which category a Beneficiary falls in, it is important to note that the Asset Share guidance provides that member options exercised during wind-up are ignored. This category should include pensioner members as defined under section 73 of the Pension Act 1995, however benefits valued should be consistent with the requirement to ignore options. For example, a member who took early retirement conditional on the trustees' approval after wind-up but before crystallisation date would fall into Category 1, as the member has pensioner status at wind-up. However the benefits should be assessed as commencing after Normal Pension Age, as options should be ignored. See paragraph 21 of section 2 of the Asset Share guidance for further details.
43. If part of a Beneficiary's entitlement has arisen prior to the crystallisation date and some has not, these members are known as "Dubery" members. As outlined in the Asset Share guidance these members will have one asset share calculated, however the liabilities should be split and included in appropriate category.
44. The total liability needs to be split into different benefit tranches in order to validate the liability figures – for example, liabilities will be split by gender so that sex-specific factors can be applied. This will also enable the FAS scheme manager to validate liabilities in different priority classes.
45. The scheme liabilities should be split according to the following categories:
 - non-surrenderable¹ contract of insurance;
 - status of member at crystallisation date (pensioner, adult dependant etc);
 - gender of member; and
 - increases on pension in payment.
46. If a Beneficiary has more than one type of pension increase applying to their benefits, they will be included in the liabilities for more than one row. For example, a Beneficiary with pre- and post-1988 GMP and pre-1997 excess pension will have their liabilities split over three different rows.
47. As described in the Asset Share guidance, in order to meet statutory equalisation requirements, the asset share for each Beneficiary must be equalised. Pension figures provided in this tab should be post-equalisation pension figures. The liability figures in this tab should be consistent with the pension figures after allowance for equalisation.

¹ Non surrenderable is as defined in the Winding Up Regulations i.e. it may not be surrendered or the amount payable on surrender does not exceed the liability secured by the contract

Category 1 data glossary

Data item	When to complete	How to complete
Non-Surrenderable Contract of Insurance	Always	Enter "Y" if this tranche of benefits is backed by an annuity contract as defined by priority class 2 on the Priority order tab
Status	Always	Pen: Original member of scheme Dep-adult: Adult receiving survivor benefits following death of original scheme member Dep-child: Child receiving survivor benefits following death of original scheme member Dead: Member or dependant who has died prior to calculation date
Gender	Always	M-male F-female
Increase in payment rate type	Always	<ul style="list-style-type: none"> • Enter a figure from 1-8 • These numbers correspond to the numbers entered under "Increases in payment rate type" in the Pension Increase Assumption section of the Basis tab
Total scheme pension due at calculation date	Always	<ul style="list-style-type: none"> • This is the sum of scheme pensions with entitlement to the specified increases in payment for the group of Beneficiaries included in that row • It is the pension the Beneficiaries were eligible for under scheme rules at the calculation date (not the actual amount the member was being paid). For members who retired between wind-up and the crystallisation date it is the amount excluding any options taken • If a State Scheme Premium has been or will be paid, it is the scheme pension excluding the GMP • It is the member's residual pension following commutation of a lump sum • A value of 0 should be added for all categories with status Dead.

Data item	When to complete	How to complete
Total contingent spouse's pension at calculation date	Always	<ul style="list-style-type: none"> This is the sum of contingent pensions at calculation date for a spouse/civil partner/other adult survivor (depending on scheme rules) corresponding to the group of members in that row It is a pension amount, not a percentage
Number of Beneficiaries	Always	The number of Beneficiaries included in each tranche
Average age	All except deceased beneficiaries	<ul style="list-style-type: none"> The average age of the Beneficiaries included in each tranche weighted by the total scheme pension due at the calculation date. Ages should be rounded to 2 decimal places e.g. 65 and 2 months should be added as 65.17
Liability in respect of future level benefits	Always	<ul style="list-style-type: none"> This is the liability in relation to future payments of the benefits in that row/tranche It should exclude any future increases due on those benefits. This is so that these liabilities can be matched up to different priority classes which distinguish between benefits due and increases on those benefits
Level scheme benefits due from wind-up to calculation date	Always	<ul style="list-style-type: none"> These are the level benefits which should have been paid under scheme rules from wind-up to calculation date for that benefit tranche No increases should be included in this figure i.e. it will be equal to the initial pension which should have been in payment at wind-up multiplied by payment period It is not the payments which were actually made to Beneficiaries
Liability in respect of future increases	Always	<ul style="list-style-type: none"> This is the liability in relation to increases on future payments of the benefit tranche in that row It will be equal to the total future liabilities less the liability in respect of future level benefits

Data item	When to complete	How to complete
Increases on scheme benefits due from wind-up to calculation date	Always	<ul style="list-style-type: none"> • These are the increases which should have been paid under scheme rules from wind-up to calculation date for that benefit tranche • It will be equal to total payments due less level scheme benefits due • It is not the increases actually paid
Total buyout liability	When total scheme assets exceed total scheme statutory liabilities	<ul style="list-style-type: none"> • This is the total liability in relation to the tranche of benefits in that row • It is calculated using the buyout basis set out in the Asset Share guidance • It is in relation to future benefits only. Details of past liabilities are included in “Level scheme benefits due from wind-up to calculation date” and “Increases on scheme benefits due from wind-up to calculation date” and are the same irrespective of the basis used

Category 2 data tab

48. The **Category 2 data** tab collects summary information on the liabilities for category 2 Beneficiaries. These are members and dependants who became eligible for scheme payments between the crystallisation date and the calculation date.
49. When deciding which category a Beneficiary falls in, it is important to note that the Asset Share guidance provides that member options exercised during wind-up are ignored. Members should only be included in category 2 if they became eligible to benefits after the crystallisation date and they would still have been eligible at calculation date ignoring any options exercised. For example, a member who took early retirement conditional on the trustees' approval after crystallisation date but who was over scheme NRA at the calculation date would fall into Category 2, however a member who was under scheme NRA at the calculation date would not be category 2. See Asset Share guidance section 3, Discretionary Benefits and Beneficiary Options in calculation of liabilities for further details on treatment of member options.
50. If part of a Beneficiary's entitlement has arisen prior to the crystallisation date and some has not, these members are known as "Dubery" members. As outlined in the Asset Share guidance these members will have one asset share calculated, however the liabilities should be split and included in appropriate category.
51. The total liability needs to be split into different benefit tranches in order to validate the liability figures – for example, liabilities will be split by gender so that sex-specific factors can be applied. This will also enable the FAS scheme manager to validate liabilities in different priority classes.
52. The scheme liabilities should be split according to the following categories:
 - status of member at calculation date (pensioner, adult dependant etc);
 - contracted-out and non-contracted-out liabilities, if the scheme commenced wind up prior to 10 May 2004;
 - gender of member; and
 - increases on pension in payment.
53. If a Beneficiary has more than one type of pension increase applying to their benefits, they will be included in more than one row. For example, a Beneficiary with pre- and post-1988 GMP and pre-1997 excess will be included on three different rows.
54. As described in the Asset Share guidance, in order to meet statutory equalisation requirements, the asset share for each Beneficiary must be equalised. Pension figures provided in this tab should be post-equalisation pension figures. The liability figures in this tab should be consistent with the pension figures after allowance for equalisation.

Category 2 data glossary

Data item	When to complete	How to complete
Status	Always	<p>Pen: Original member of scheme</p> <p>Dep-adult: Adult receiving survivor benefits following death of original scheme member</p> <p>Dep-child: Child receiving survivor benefits following death of original scheme member</p> <p>Dead: Beneficiary who has died prior to calculation date</p>
Data in respect of contracted-out benefits	When the scheme has commenced wind-up prior to 10/05/2004	<ul style="list-style-type: none"> If this tranche relates to contracted-out benefits, enter "Y". Otherwise enter "N"
Gender	Always	<p>M-male</p> <p>F-female</p>
Increase in payment rate type	Always	<ul style="list-style-type: none"> Enter a figure from 1-8 These numbers correspond to the numbers entered under "Increases in payment rate type" in the Pension Increase Assumption section of the Basis tab
Total scheme pension due at calculation date	Always	<ul style="list-style-type: none"> This is the sum of scheme pensions with entitlement to the specified increases in payment for the group of Beneficiaries included in that row It is the pension the Beneficiaries were eligible for under scheme rules at the calculation date (not the actual amount the member was being paid). This amount should exclude any options exercised since wind-up If a State Scheme Premium has been or will be paid, it is the scheme pension excluding the GMP It is the member's pension prior to any cash commutation A value of 0 should be added for all categories with status Dead
Total contingent spouse's pension at calculation date	Always	<ul style="list-style-type: none"> This is the sum of contingent pensions at calculation date for a spouse/civil partner/other adult dependent (depending on scheme rules) corresponding to the group of members in that row It is a pension amount, not a percentage

Data item	When to complete	How to complete
Number of Beneficiaries	Always	The number of Beneficiaries included in each tranche
Average age	All except deceased beneficiaries	<ul style="list-style-type: none"> The average age of the Beneficiaries included in each tranche weighted by the total scheme pension due at the calculation date. Ages should be rounded to 2 decimal places e.g. 65 and 2 months should be added as 65.17
Liability in respect of future level benefits	Always	<ul style="list-style-type: none"> This is the liability in relation to future payments of the benefits in that row/tranche It should exclude any future increases due on those benefits. This is so that these liabilities can be matched up to different priority classes which distinguish between benefits due and increases on those benefits
Level scheme benefits due from wind-up to calculation date	Always	<ul style="list-style-type: none"> These are the level benefits which should have been paid under scheme rules from wind-up to calculation date for that benefit tranche No increases should be included in this figure i.e. it will be equal to the initial pension at the date payments should have commenced (ignoring options exercised since wind-up) multiplied by payment period It is not the payments which were actually made to Beneficiaries
Liability in respect of future increases	Always	<ul style="list-style-type: none"> This is the liability in relation to increases on future payments of the benefit tranche in that row It will be equal to the total future liabilities less the liability in respect of future level benefits It is not the increases actually paid
Increases on scheme benefits due from wind-up to calculation date	Always	<ul style="list-style-type: none"> These are the increases which should have been paid under scheme rules from wind-up to calculation date for that benefit tranche It will be equal to total payments due less level scheme benefits due

Data item	When to complete	How to complete
Total buyout liability	When total scheme assets exceed total scheme statutory liabilities	<ul style="list-style-type: none"> • This is the total liability in relation to the tranche of benefits in that row • It is calculated using the buyout basis set out in Asset Share guidance • It is in relation to future benefits only. Details of past liabilities are included in “Level scheme benefits due from wind-up to calculation date” and “Increases on scheme benefits due from wind-up to calculation date” and are the same irrespective of the basis used

Category 3 data tab

55. The **Category 3 data** tab collects summary information on the liabilities for category 3 Beneficiaries. These are Beneficiaries who are not yet eligible for scheme payments at the calculation date.
56. If part of a Beneficiary's entitlement has arisen prior to the crystallisation date and some has not, these members are known as "Dubery" members. As outlined in the Asset Share guidance these members will have one asset share calculated, however the liabilities should be split and included in appropriate category.
57. When deciding which category a Beneficiary falls in, it is important to note that the Asset Share guidance requires that member options exercised since wind-up are ignored. This means that a member who has not yet reached NRA but who started receiving scheme payments after the crystallisation date will be included in Category 3. See Asset Share guidance section 3, Discretionary Benefits and Beneficiary Options in calculation of liabilities or further details on treatment of member options.
58. Note however that these categories relate to how assistance is calculated and will not necessarily correspond to how different categories of members are defined under section 73 of the Pensions Act 1995.
59. The liabilities should be split according to the following categories:
 - gender of member;
 - Normal Pension Age (NPA);
 - contracted-out and non-contracted-out liabilities, if the scheme commenced wind-up prior to 10 May 2004;
 - increases on pension in payment; and
 - revaluation of pension in deferment.
60. If a Beneficiary has more than one type of pension increase applying to their benefits, they will be included in more than one row. For example, a Beneficiary with pre- and post-1988 GMP and pre-1997 excess will be included on three different rows.
61. As described in the Asset Share guidance, in order to meet statutory equalisation requirements, the asset share for each Beneficiary should be equalised. Pension figures provided in this tab should be post-equalisation pension figures. The liability figures in this tab should be consistent with the pension figures after allowance for equalisation.

Category 3 data glossary

Data item	When to complete	How to complete
Gender	Always	<ul style="list-style-type: none"> • M-male • F-female
Tranche NPA	Always	<ul style="list-style-type: none"> • This is the normal pension age under scheme rules for this tranche of benefits • It is not limited by the FAS NRA minimum and maximum (60 and 65) • If the normal pension age definition includes a part year, this should be rounded to 2 decimal place e.g. 62 and 8 months should be added as 62.67
Data in respect of protected rights benefits	When the scheme has commenced wind-up prior to 10/05/2004	<ul style="list-style-type: none"> • If this tranche relates to protected rights benefits, enter "Y". Otherwise enter "N"
Increase in payment rate type	Always	<ul style="list-style-type: none"> • Enter a figure from 1-8 • These numbers correspond to the numbers entered under "Increases in payment rate type" in the Pension Increase Assumption section of the Basis tab
Revaluation type	Always	<ul style="list-style-type: none"> • Enter a figure from 1-8 • These numbers correspond to the numbers entered under "Revaluation type" in the Deferred Revaluation Assumption section of the Basis tab
Scheme deferred pension at calculation date	Always	<ul style="list-style-type: none"> • This is the sum of scheme pensions eligible for the specified increases in deferment and payment for the group of Beneficiaries included in that row • It should be re-valued from date of leaving up to calculation date • It is the pension the members were eligible for under scheme rules at the calculation date • If a State Scheme Premium has been or will be paid, it is the scheme pension excluding the GMP • It is the member's pension prior to any cash commutation

Data item	When to complete	How to complete
Scheme accrued cash at calculation date	When the scheme rules state that cash is accrued in addition to the scheme pension	<ul style="list-style-type: none"> • This refers to cash which accrues separately from pension • Please provide details of the cash amount in a separate row to the scheme pension • The amount should be re-valued up to calculation date • It will not have an increase in payment rate associated with it and cannot be in relation to protected rights. It therefore only needs to be split by gender, NPA and revaluation code
Number of Beneficiaries	Always	The number of Beneficiaries included in each tranche
Average age	All except deceased beneficiaries	<ul style="list-style-type: none"> • The average age of the Beneficiaries included in each tranche weighted by the total scheme pension due at the calculation date. • Ages should be rounded to 2 decimal places e.g. 65 and 2 months should be added as 65.17
Average dependant's benefit (DAR) as a proportion of member's pension	For all categories in respect of scheme pension (rather than lump sum)	<ul style="list-style-type: none"> • This is the average dependant's benefit for all members in this benefit tranche • It relates only to benefits paid to survivors on death after retirement • It includes adult survivors only • It is a percentage, not an amount
Average dependant's benefit (DID) as a proportion of member's pension	Always	<ul style="list-style-type: none"> • This is the average dependant's benefit for all members in this benefit tranche • It relates only to benefits paid to survivors on death before retirement • It includes both adult and child survivors • It is a percentage, not an amount
% of calculated liabilities to which equity MVA applies	If liabilities have been calculated on an MFR basis and the scheme is not gilts-matched	<ul style="list-style-type: none"> • Percentage of the total future liabilities in that row (columns N & O) that have been adjusted by the equity MVA • It is a percentage, not an amount

Data item	When to complete	How to complete
Liability in respect of future level benefits	Always	<ul style="list-style-type: none"> • This is the liability in relation to future payments of the benefit tranche in that row • It should exclude any future increases in payment due on those benefits. This is so that these liabilities can be matched up to different priority classes which distinguish between benefits due and increases on those benefits
Liability in respect of future increases	Always	<ul style="list-style-type: none"> • This is the liability in relation to increases on future payments of the benefit tranche in that row • It will be equal to the total future liabilities less the liability in respect of future level benefits
Total buyout liability	When total scheme assets exceed total scheme statutory liabilities	<ul style="list-style-type: none"> • This is the total liability in relation to the tranche of benefits in that row • It is calculated using the buyout basis set out in the Asset Share guidance • It is in relation to future benefits only. Details of past liabilities are included in “Level scheme benefits due from wind-up to calculation date” and “Increases on scheme benefits due from wind-up to calculation date” and are the same irrespective of the basis used

Insured Pensioner Asset tab

62. If the scheme has purchased annuities for pensioners or dependants and those annuities have not been individually assigned to members, these policies are an asset of the scheme. As such, they need to be valued. They should be assessed on the buy-out basis set out in the Asset Share guidance (note that revisions to the basis are the subject of a separate consultation). The exception to this is annuity policies where the surrender value is greater than the liabilities which the policy covers. Such policies should be surrendered before the valuation begins. They will therefore be included as assets in the scheme's audited accounts.
63. When annuity policies are to be valued the FAS synthetic buyout basis should be used (see Section 4 of the Asset Share guidance on method and assumptions to use when undertaking a valuation and the parallel consultation on revisions to the FAS buy-out basis). Further details on how to value annuity assets can be found in both the Asset Share and accounts guidance.
64. Only policies which are assets of the scheme should be included here. Policies in the names of individual Beneficiaries are not assets of the scheme hence should not be valued.
65. This tab should be used for annuities which are in payment. If the annuity is not yet being paid, it should be included in the **Insured Non-pensioner Asset** tab.
66. The total asset value needs to be split into different benefit tranches in order to validate it – for example, results will be split by gender so that sex-specific factors can be applied.
67. Liabilities relating to annuities should be split according to the following categories:
 - status of Beneficiary at calculation date (pensioner, adult dependant etc);
 - gender of Beneficiary; and
 - rate of increases on pension in payment.
68. If a Beneficiary has more than one type of pension increase applying to their annuity, they will be included in more than one row.

Insured Pensioner Asset glossary

Data item	When to complete	How to complete
Status	Always	Pen: Original member of scheme Dep-adult: Adult receiving survivor benefits following death of original scheme member Dep-child: Child receiving survivor benefits following death of original scheme member
Gender	Always	M-male F-female
Increase in payment rate code	Always	<ul style="list-style-type: none"> • Enter a figure from 1-8 • These numbers correspond to the numbers entered under “Increases in payment rate code” in the Pension Increase Assumption section of the Basis tab • It is the increases awarded on the annuity, rather than that due under scheme rules (if this differs)
Total scheme pension at calculation date	Always	<ul style="list-style-type: none"> • This is the sum of annuities receiving the specified increases in payment for the group of members included in that row • It is the amount the members were eligible for from the annuity at the calculation date (not the amount under scheme rules, if this differs)
Total contingent spouse’s pension at calculation date	Always	<ul style="list-style-type: none"> • This is the sum of contingent pensions for a spouse/civil partner/other adult dependent (depending on benefits due from the annuity) corresponding to the group of members in that row • It is a pension amount, not a percentage
Number of Beneficiaries	Always	The number of Beneficiaries included in each tranche
Average age	Always	<ul style="list-style-type: none"> • The average age of the Beneficiaries included in each tranche weighted by the total scheme pension due at the calculation date. • Ages should be rounded to 2 decimal places e.g. 65 and 2 months should be added as 65.17
Assessed asset value	Always	<ul style="list-style-type: none"> • This is the liability figure based on the benefits due from the annuity for that group of Beneficiaries

Insured Non-Pensioner Asset tab

69. If the scheme has purchased deferred annuities for Beneficiaries and those annuities have not been individually assigned to members, these policies are an asset of the scheme. As such, they need to be valued. They should be assessed on the buyout basis set out in the Asset Share guidance. The exception to this is annuity policies where the surrender value is greater than the liabilities which the policy covers. Such policies should be surrendered before the valuation begins. They will therefore be included as assets in the scheme's audited accounts.
70. When annuity policies are to be valued the FAS synthetic buyout basis should be used (see Section 4 of the Asset Share guidance on method and assumptions to use when undertaking a valuation). Further details on how to value annuity assets can be found in both the Asset Share and accounts guidance.
71. Only policies which are assets of the scheme should be included here. Policies in the names of individual Beneficiaries are not assets of the scheme hence should not be valued.
72. This tab should be used for annuities which are not yet in payment. If the annuity is currently being paid, it should be included in the **Insured Pensioner Asset** tab.
73. The total asset value needs to be split into different benefit tranches in order to validate it – for example, results will be split by gender so that sex-specific factors can be applied.
74. Beneficiaries of annuities should be split according to the following categories:
 - gender of member;
 - Normal pension Age (NPA);
 - revaluation rate in deferment; and
 - rate of increases on pension in payment.
75. If a Beneficiary has more than one type of pension increase or revaluation applying to their annuity, they will be included in more than one row.

Insured Non-pensioner Asset glossary

Data item	When to complete	How to complete
Gender	Always	M-male F-female
Tranche NPA	Always	<ul style="list-style-type: none"> This is the normal pension age under scheme rules for this tranche of benefits It is not limited by the FAS NRA minimum and maximum (60 and 65) If the normal pension age definition includes a part year, this should be rounded to 2 decimal place e.g. 62 and 8 months should be added as 62.67
Revaluation type	Always	<ul style="list-style-type: none"> Enter a figure from 1-8 These numbers correspond to the numbers entered under “Revaluation type” in the Deferred Revaluation Assumption section of the Basis tab It is the increases awarded on the annuity, rather than that due under scheme rules (if this differs)
Increase in payment rate code	Always	<ul style="list-style-type: none"> Enter a figure from 1-8 These numbers correspond to the numbers entered under “Increases in payment rate code” in the Pension Increase Assumption section of the Basis tab It is the increases awarded on the annuity, rather than that due under scheme rules (if this differs)
Total scheme pension at calculation date	Always	<ul style="list-style-type: none"> This is the sum of annuities receiving the specified increases in payment for the group of Beneficiaries included in that row It is the amount the members were eligible for from the annuity at the calculation date (not the amount under scheme rules, if this differs)
Number of Beneficiaries	Always	The number of Beneficiaries included in each tranche
Average age	Always	<ul style="list-style-type: none"> The average age of the Beneficiaries included in each tranche weighted by the total scheme pension due at the calculation date. Ages should be rounded to 2 decimal places e.g. 65 and 2 months should be added as 65.17

Data item	When to complete	How to complete
Average dependant's benefit (DAR) as a proportion of member's pension	For all categories in respect of scheme pension (rather than lump sum)	<ul style="list-style-type: none"> • This is the average dependant's benefit for all members in this benefit tranche • It relates only to benefits paid to survivors on death after retirement • It includes adult survivors only • It is a percentage, not an amount
Average dependant's benefit (DID) as a proportion of member's pension	Always	<ul style="list-style-type: none"> • This is the average dependant's benefit for all members in this benefit tranche • It relates only to benefits paid to survivors on death before retirement • It includes both adult and child survivors • It is a percentage, not an amount
Assessed asset value	Always	<ul style="list-style-type: none"> • This is the liability figure based on the benefits due from the annuity for that group of Beneficiaries

Individual results tab

76. The **Individual results** tab gives the liability figure and asset share for each individual Beneficiary included in the valuation. It also collects data necessary to calculate a notional pension for each Beneficiary.

Individual results glossary

Data item	When to complete	How to complete
NINo	Always	Format AA999999A
Date of Birth	Always	Format dd/mm/yyyy
Gender	Always	M-male F-female
Category	Always	Input the category data number corresponding to the Category data tab the member was included in
Status	Always	Deferred: Original member ² of scheme not receiving payments at the calculation date Pensioner: Original member of scheme receiving pension payments at calculation date Spouse/Partner: Spouse/civil partner/other partner receiving survivor benefits at the calculation date Child: Child receiving survivor benefits at the calculation date Other dependant: A Beneficiary who is not eligible for FAS assistance, was not receiving payments from the scheme at wind-up but is receiving payments from the scheme at the calculation date
Deceased	Always	Enter Y if the member has died prior to the calculation date, otherwise N
Date of Death	When a member died prior to the calculation date	Enter the date of death
Date Pension Commencement	For all statuses except Deferred	The date the member started to receive a pension from the scheme
Date original member died	For all statuses except Deferred and Pensioner	Enter the date of death of the original member

² An original member is someone who was a member of the scheme in their own right under the membership conditions of the scheme rules, as opposed to someone who receives/is due to receive benefits as a result of the death of an original member

Data item	When to complete	How to complete
Assets transferring to HMT?	Always	<ul style="list-style-type: none"> • If the member's asset share is to be used to discharge liabilities enter "N" . • For partial annuitants for whom top-up annuities are not being purchased but for whom residual assets are transferring to government, please enter "N" . • If the asset share is to transfer to the government enter "Y" • For dead members, enter "Y" • For members with nil asset share, enter "Y"
Beneficiary receiving present payments when regulations came into force	Always	<ul style="list-style-type: none"> • For deferred or pensioner members, if the member was receiving a payment or had confirmed in writing that benefits should be put into payment prior to [Date regs come into force] enter "Y". • For all other members enter "Y" if the original member died prior to [Date regs come into force] enter "Y", otherwise "N".
Adjusted liability in priority class 1,2,...	Always	This is the "adjusted liability" (as defined in the Asset Share guidance) for that individual in that priority class. The numbers refer to those allocated to each priority class on the Priority order tab.
Total adjusted liability	Never	This is an automatic calculation summing liabilities in each priority class
Annuitised asset share	Never	This is an automatic calculation combining the liabilities in each priority class with the relevant priority class coverage
Scheme interim payment value-pre May 04	When the member has received payments from the scheme after start of wind-up and before 14/05/2004	<ul style="list-style-type: none"> • These are the amounts actually paid to the individual between the later of the date of scheme wind-up and date pension commenced to 13/05/2004 • It should include both periodic payments and any lump sum payments made to extinguish liabilities, excluding State Scheme Premiums •

Data item	When to complete	How to complete
Scheme interim payment value-post May 04	When the member has received payments from the scheme on and after 14/05/2004	<ul style="list-style-type: none"> • These are the amounts actually paid to the individual between the later of the date of scheme wind-up, date pension commenced and 14/05/2004 to the calculation date • It should include both periodic payments and any lump sum payments made to extinguish liabilities, excluding State Scheme Premiums.
Scheme interim payment value-total	Never	This is an automatic calculation summing the pre- and post-2004 interim payments
Asset share	Never	This is an automatic calculation combining the annuitised asset share with payments made
Lump Sum paid	Always	<ul style="list-style-type: none"> • This is the sum of any lump sums actually paid between start of wind-up and calculation date. • This should include both commuted lumps sums and those accrued separately under the scheme rules paid to the individual • It should include any payments made to extinguish liabilities under the scheme excluding any lump sums paid on death • It should exclude State Scheme Premiums
Proportion of benefits in respect of pre 97/post 97	Members whose pension had not commenced at the date regulations came into force, and survivors where the original member died after the date regulations came into force	<ul style="list-style-type: none"> • This is the proportion of pension relating to pre- or post-1997 service • It is assessed as the pre/post 97 proportion of the member's total pension amount at the wind-up date • Enter as a percentage

Data item	When to complete	How to complete
Pension entitlement at start of wind-up/date pension commenced if later	Members whose pension had commenced at the date regulations came into force	<ul style="list-style-type: none"> • This is the amount the member was entitled to under scheme rules rather than the amount actually paid. If the member began receiving pension payments before wind-up, it is the amount due at the wind-up date • If they began receiving payments after wind-up, it is the amount due at the date payments began • This should exclude pension elements in respect of death benefit guarantees (these are provided separately where needed) • If a dependant is being paid a death guarantee without overlap ie they are not being paid their “own” pension, enter the amount at the calculation date that they would be paid were the guarantee to cease on the calculation date • If a State Scheme Premium has been paid, this should be the amount excluding GMP • If a partial transfer has been paid, this should be based on the benefits before the transfer was paid
Spouse/partner’s proportion-death in retirement	Members whose pension had commenced at the date regulations came into force	<ul style="list-style-type: none"> • This is the proportion of the member’s benefit that a spouse/civil partner/other partner would receive if the member dies after NRA • It is assessed at the later of wind-up and date pension commenced for original member • If the member is in receipt of payments and has commuted a proportion of their original pension, but their spouse’s pension would be based on the pre-commutation amount, the proportion should reflect this. For example, scheme rules may grant 50% of pre-commutation pension. 50% of pre-commutation pension may equate to 63% of the post-commutation pension actually in payment, so in this case 63% should be entered • It should be entered as a percentage not an amount

Data item	When to complete	How to complete
Bridging pension at start of wind-up / date pension commenced if later	Members whose pension had commenced at the date regulations came into force and a bridging pension is being paid at the calculation date. Please do not complete this field if the scheme rules include a bridging pension but the Trustees have smoothed this out for simplicity during wind-up	<ul style="list-style-type: none"> • This is the amount of bridging pension a member is receiving for a fixed period only • If the member began receiving pension payments before wind-up, it is the amount due at the wind-up date • If they began receiving payments after wind-up, it is the amount due at the date payments began
Guarantee paid as pension or lump sum	Members whose pension had commenced at the date regulations came into force and an unexpired guarantee exists at the calculation date	<ul style="list-style-type: none"> • This refers to guarantees in relation to deaths in retirement • Please indicate whether guarantees on death are paid to survivor(s) as a pension or a lump sum • If no guarantee is paid, leave blank
If guarantee is paid as a lump sum, does it include future increases?	Members whose pension had commenced at the date regulations came into force and an unexpired guarantee payable as a lump sum exists at the calculation date	<ul style="list-style-type: none"> • If the scheme rules state that future increases are included in the guarantee lump sum enter Y otherwise enter N.
Is guarantee paid with overlap?	Members and dependants whose pension had commenced at the date regulations came into force and an unexpired guarantee exists at the calculation date	<ul style="list-style-type: none"> • If death guarantee payments are paid in addition to ongoing pensions paid to survivors/surviving dependants enter "Y" • For example, this would apply where a spouse received a lump sum of the balance of member payments outstanding from date of death to five years after retirement plus a pension of 50% of member's benefits from date of death • If the survivor's ongoing pension does not begin until the end of the guarantee period enter "N"

Data item	When to complete	How to complete
Guarantee period outstanding at the valuation date	Members whose pension had commenced at the date regulations came into force and an unexpired guarantee exists at the calculation date	<ul style="list-style-type: none"> • Where guarantees on death are paid as a pension, please indicate the guarantee period still remaining at the calculation date • Enter as a single decimalised figure e.g. 4 years and 2 months would be 4.17
Guarantee amount	Beneficiaries whose status is not pensioner or deferred, and where guarantee is payable as a pension not a lump sum	<ul style="list-style-type: none"> • If the beneficiary is receiving a pension as a result of a death benefit guarantee at the calculation date, enter the pension in relation to the guarantee only • If the guarantee has expired, enter 0
Date payment ceases under scheme rules	Members whose pension had commenced at the date regulations came into force and benefits are expected to cease at a date other than date of death	<ul style="list-style-type: none"> • Scheme rules may put an end date on payments to certain Beneficiaries. For example, payments to children may end at a certain age • If such an expiry date exists, please enter that date. Otherwise leave blank • 18th birthday should be entered for children's pensions already in payment should be assumed to cease at 18 if rules specify paid till leaves full time education. Otherwise (or if child over 17) use date when the child will reach the maximum age paid by scheme • Ignore cessation due to remarriage i.e. leave blank • Ignore cessation due to recovery from ill health i.e. leave blank

Validation tab

77. The template performs a number of automated checks on data and results which are entered. This aims to identify any errors or issues before the template is submitted. The FAS scheme manager will perform additional checks once the template is submitted.
78. If the test has been satisfied based on the information provided, the Results column will indicate "Pass". If it has not been satisfied, the Results column will indicate "Warning" or "Error".
79. If a "Warning" result is given, please first check that the information has been input correctly. If you are confident that the information input is correct and believe there is a valid reason why the checks are not being passed, please provide additional information in the relevant free text box. For example, the scheme's membership profile may mean that an approximate check of the liabilities will not tie up with the Valuation Actuary's detailed calculations.
80. If you have any queries about "Warning" results, please discuss with your caseworker prior to submitting the validation template.
81. If an "Error" result is given, this indicates a problem which must be resolved before the valuation can be submitted. This will occur when it is highly unlikely that the automatic check will not be passed. For example, an "Error" result will be given if the sum of pre- and post-1997 proportions of benefits is not equal to 100 per cent.
82. If an "Error" result is given, please first check that the information has been input correctly. If you are confident that the information input is correct, please contact your caseworker to discuss how to resolve the problem. If, in exceptional circumstances, the FAS scheme manager agrees that the template can be submitted with "Error" results showing, please provide an explanation in the relevant free text box.

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