

**December 2003**

**To All Members**

Dear Member

**GN4: Insolvency of Employers: Safeguard of Pension Scheme Contributions**

**Introduction**

If an insolvent employer has failed to pay some employer or employee contributions into an occupational or personal pension scheme, it is possible for the trustees to apply for certain payments to be made from the National Insurance Fund. In relation to a salary-related occupational pension scheme an actuary is required either to certify that the eligible unpaid employer contributions will be used wholly to meet the scheme's liability for expenses and benefits on dissolution or to certify the part of such contributions required for this purpose.

**Detail**

Version 2.4 of GN4: *Insolvency of Employers: Safeguard of Pension Scheme Contribution* is being issued as a Technical Amendment. Although the legislation has not changed the opportunity has been taken to review and update GN4. It will be effective from 15 December 2003.

The relevant legislation is of an earlier style and less prescriptive than is typical of more recent Acts and as such a great deal is left to the actuary's judgement. GN4 sets out some considerations for the actuary when giving this certificate.

The Guidance Note has been amended as follows:

- An introductory paragraph has been added to set the scene for this actuarial certification.
- Certain stylistic changes to other parts of GN4 have been made which do not alter the meaning.
- Northern Ireland legislation has been included and other references updated.
- A reference to the Professional Conduct Standards (PCS) has been added. This is a reminder to members that the PCS applies to work covered by all Guidance Notes.

Supplements to the Manual of Actuarial Practice are now only being sent to those members who have previously requested them in writing. If therefore you have requested a posted copy of Guidance Notes, the revised version 2.4 of GN4 will be attached to this letter as an A4 document. Otherwise it will be found, from its effective date, on the profession's Website at: <http://www.actuaries.org.uk/files/pdf/map/Contents.pdf>

Before then, it can be found at:[http://www.actuaries.org.uk/link/board\\_area/pensions.html](http://www.actuaries.org.uk/link/board_area/pensions.html)

A copy of GN4 that tracks the changes that have been made since the previous version of GN4 can be found at: [http://www.actuaries.org.uk/link/pensions/pensions\\_gns\\_track.xml](http://www.actuaries.org.uk/link/pensions/pensions_gns_track.xml)

Yours sincerely

Ronald Bowie  
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Pensions Board