

30 April, 1999

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**To all Scheme Actuaries**

Dear Scheme Actuary

**GN19: Retirement Benefit Schemes - Winding up and Scheme Asset Deficiency**

Revisions to GN27 effective from 15 June 1998 and 1 June 1999 can affect actuarial calculations under GN19 in some circumstances. In addition to deficiency calculations where the applicable time determines the appropriate version of GN27 to use, you should be aware that any calculations at the crystallisation date or calculation date as defined in paragraphs 1.6.1 and 1.6.2 respectively of GN19 should also be by reference to the version of GN27 in force at these respective dates.

Actuarial calculations are generally not required at the crystallisation date: the purpose of this date being to allocate benefits to priority classes. However active or deferred members of defined benefit schemes (or sections of schemes) contracted out on a money purchase basis do need to have a calculation performed at the crystallisation date in order to split the protected rights part into those elements relating to post-retirement increases and those not. Section 3.9.2 of GN19 gives further details as to how this calculation should be carried out.

Yours sincerely

MA Pomery  
Chairman  
Pensions Board

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