



Test scheme standard actuarial certificate

This template certificate has been produced by the ACA for the assistance of its members when called upon to give a certificate that a defined benefit or defined benefit element of a hybrid scheme meets the test scheme standard required by the Pensions Act 2008. It is put forward as an alternative to the template available in Annex E of the [guidance for actuaries](#) published by the Department for Work and Pensions (DWP) in April 2014.

This template has been supplied to the DWP for its information but has not been approved by it. The certificate is believed to be correct at the time of its publication but no liability is accepted by the ACA, its committee members or the firms which they represent for any errors or omissions.

Actuarial certificate

Given for the purposes of certifying that a scheme satisfies the test scheme standard

This certificate is subject to the Notes below

Name of scheme

Pension Schemes Registry Number

Name and address of employer

.....

.....

Effective date of certificate

Jobholders covered by this certificate

1. Relevant quality requirement – defined benefits scheme

This scheme is a defined benefits scheme within the meaning of section 99 of the Pensions Act 2008.

I have compared the benefits provided by the scheme against the benefits provided by a test scheme, which is

[a scheme providing for a member to be entitled to a pension commencing at the appropriate age and continuing for life, in accordance with section 23(2)(a) of the Pensions Act 2008.]

[a scheme providing for a sum of money calculated by reference to final pensionable pay to be made available for the provision of benefits to a member commencing at the appropriate age and continuing for life, in accordance with section 23(2)(b) of the Pensions Act 2008 and Regulation 39A(2) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010.]

[a scheme providing for a sum of money calculated other than by reference to final pensionable pay to be made available for the provision of benefits to a member commencing at the appropriate age and continuing for life, in accordance with section 23(2)(b) of the Pensions Act 2008 and Regulation 39A(3) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010.]

2. Relevant quality requirements – hybrid scheme

This scheme is a hybrid scheme within the meaning of section 99 of the Pensions Act 2008 and is [a Rule 8 scheme comprising elements of the following hybrid schemes:][a Rule 4 general rule hybrid scheme][a Rule 5 sequential hybrid scheme][a Rule 6 self-annuitising hybrid scheme][a Rule 7 combination hybrid scheme] within the meaning of the Hybrid Schemes Quality Requirement Rules 2015.

I have compared the defined benefit elements of this hybrid scheme against the benefits provided by a test scheme, which is

[a scheme providing for a member to be entitled to a pension commencing at the appropriate age and continuing for life, in accordance with section 23(2)(a) of the Pensions Act 2008.]

[a scheme providing for a sum of money calculated by reference to final pensionable pay to be made available for the provision of benefits to a member commencing at the appropriate age and continuing for life, in accordance with section 23(2)(b) of the Pensions Act 2008 and Regulation 39A(2) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010.]

[a scheme providing for a sum of money calculated other than by reference to final pensionable pay to be made available for the provision of benefits to a member commencing at the appropriate age and continuing for life, in accordance with section 23(2)(b) of the Pensions Act 2008 and Regulation 39A(3) of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010.]

3. Adequacy of benefits

[I have examined the scheme's documentation to check whether the defined benefits provided by the scheme are, in every relevant respect, the same as or better than the benefits provided under the test scheme.] [As the scheme's normal pension age is not greater than the appropriate age of the test scheme, I have compared one year's accrual of the defined benefits in the scheme against the annual accrual of benefits under the test scheme – ie I have applied the Simplified Test Scheme Standard as described in the guidance for employers on certifying defined benefit and hybrid pension schemes] [I have compared the defined benefits expected to accrue in the scheme against those expected to accrue

in the test scheme in the three years after the effective date, or until the jobholder attains normal pension age if sooner.]

[I have also assessed in aggregate the defined benefit and money purchase elements of this hybrid scheme in accordance with Regulation 43 of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010.]

[I am placing reliance on the employer's certification of the money purchase elements of this hybrid scheme, a copy of which has been supplied to me.]

On this basis I certify that, in my opinion, the [above scheme satisfies the test scheme standard] [the defined benefit elements of the above scheme satisfy the test scheme standard and the money purchase elements of the above scheme satisfy the money purchase quality requirements, both insofar as they are required to do under the Hybrid Schemes Quality Requirement Rules 2015] in relation to [the jobholders described above] [any jobholders] employed by the employer named above who are relevant members of that scheme.

In giving this certificate I confirm that I have complied with the relevant statutory requirements and with [the guidance for actuaries][the guidance for employers] issued under those requirements by [the Secretary of State for Work and Pensions][the Department for Social Development] which is for the time being in force.

Signature

Name

Qualification

Address

.....

.....

Date

Notes

1. References to legislation in this certificate should be interpreted as amended by any subsequent legislation in force at the date that this certificate is signed.

Completion notes (to be removed from the final certificate)

1. This certificate should only be given by a "scheme actuary" within the meaning of section 22(7) of the Pensions Act 2008 in situations where the employer is either not willing to or not able to self-certify.
2. Select whichever of sections 1-2 is applicable. In either section select which of three test schemes is to be used (the descriptions used relate to the test scheme; not the scheme being tested)

3. In section 3 select which of three possible methods is to be used. If either of the first two methods is to be used then the sign off should refer to the guidance for employers. If the third method is to be used then the sign off should refer to the guidance for actuaries.
4. Alternative and conditional wording is set out in square brackets. Delete the wording that is not applicable. The second paragraph of Section 3 is only applicable for a Step 2 combination hybrid scheme within the meaning of Rule 7(4) of the Hybrid Schemes Quality Requirement Rules 2015. For hybrid schemes, the wording of the certificate assumes that certification is given for the scheme as a whole including the money purchase elements. If the actuary is relying on the employer's certification of the money purchase element, the third paragraph of Section 3 should be retained.
5. The third paragraph of Section 3 should be deleted if the nature of the hybrid scheme is such that it is not necessary to obtain this certification.
6. Although separate certificates should be completed for each employer participating in the scheme, it may be possible to adjust this template so that they can all be given together.

Issues you may wish to take into account when completing this certificate (to be removed from the final certificate)

1. If the scheme is an average salary scheme, separate confirmation is required that it is not excluded from being a qualifying scheme by virtue of Regulation 36 of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010 (SI 2010/772) before this actuarial certificate can be given.