

EXPLANATORY MEMORANDUM TO UPDATED PROFESSIONAL STANDARD 410 STATEMENTS OF OPINION RELATING TO DEFINED BENEFIT PENSIONS

December 2020

1. ABOUT THIS EXPLANATORY MEMORANDUM

This Explanatory Memorandum has been prepared by the Superannuation Practice Committee (SPC) to assist Members in understanding updates to Professional Standard 410 *Statements of Opinion Relating to Defined Benefit Pensions* (PS 410). PS 410 applies to Members making statements of opinion relating to the payment of defined benefit pensions from a defined benefit superannuation fund for the purposes of Regulation 9.31 (1) of the Superannuation Industry (Supervision) Act 1993 (the SIS Act) and clause 23 of Superannuation Prudential Standard 160 Defined Benefit Matters (SPS 160).

2. OUTLINE OF CHANGES

The key changes to the previous PS 410 (March 2020 version) are to:

- ▶ update clause 4.2 to reflect the replacement of the previously referenced Social Security Determinations with a new single Determination;
- ▶ align the format and standard wording with the Institute's current Policy for Developing Professional Practice Documents; and
- ▶ clarify that the Standard also applies to "supporting" Members (i.e. Members supporting the Member providing the advice under the Professional Standard) as relevant to their contribution to the Services.

3. CONSULTATION

Given the nature of the changes, the SPC recommended and Council agreed that there was no need for prior consultation with Members via an Exposure Draft.

4. COMMENCEMENT DATE

The updated PS 410 takes effect for relevant actuarial investigation reports signed on or after 1 February 2021.

END OF EXPLANATORY MEMORANDUM