

PART C

APPENDICES TO RULES FOR PERSONAL RETIREMENT SCHEMES

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APPENDIX 2

(SLC 2.1.2 of Part B of the Pension Rules for Personal Retirement Schemes)

Contents of the Scheme Document

The Scheme Document must contain or cover the following matters:

- 2.1 a statement that the principal purpose of the Scheme is to provide Retirement Benefits;
- 2.2 a statement that the Scheme is designed and operated for the exclusive benefit of the Members and Beneficiary(ies) of the Scheme;
- 2.3 the name, address, telephone number and e-mail address (if available) of the Retirement Scheme Administrator;
- 2.4 a statement that the Scheme is licensed as a personal retirement scheme and regulated by the Malta Financial Services Authority;
- 2.5 that, unless otherwise prescribed under the Act, there exists no statutory provision for compensation in the case where a Retirement Scheme is unable to satisfy the liabilities attributed to it and that the licensing of the Scheme is not an endorsement by the MFSA as to the performance of the Scheme;
- 2.6 the Scheme's structure, purpose and the category of persons eligible to be Members of the Scheme;
- 2.7 the identification of all current and future Contributor(s) of the Scheme together with their respective obligations;
- 2.8 the identification of all current and future Beneficiary(ies) of the Scheme together with the specific means to be used to determine the amount of their respective Retirement Benefits, and the timing of payment of such Retirement Benefits;
- 2.9 the rules or other criteria governing the valuation of assets and liabilities attributable to the Scheme and the timing of such valuations;
- 2.10 the rules governing admissible costs and expenses payable out of the Scheme assets;
- 2.11 the method to provide for the appointment, removal, and replacement of: the Retirement Scheme Administrator, auditor and where applicable, the Investment Manager, Custodian, Investment Advisor, auditor and/ or actuary of the Scheme. There shall be provisions to ensure the protection of Members and Beneficiaries in such circumstances;
- 2.12 the rules governing the surrender, termination or, where appropriate, forfeiture of a Retirement Benefit;

- 2.13 the rules in the event of an inability or failure by a Contributor to fulfil its obligations;
- 2.14 the rules governing alterations to the Scheme Document;
- 2.15 the circumstances leading to the termination of the Scheme, saving the cases established by law;
- 2.16 the Scheme Investment Objective/s including, where applicable, details of the underlying assets where the Scheme will be invested or, the basis on which the same will be identified and any other provisions as to how the Scheme assets are to be invested, including any applicable Investment Restrictions and borrowing limitations;
- 2.17 terms of how all income and proceeds received by the Scheme are applied on the retirement, permanent invalidity or death of a Member or transfer of her/his accrued rights to another Scheme, the basis on which the value of any redemption or liquidation of the Scheme's underlying investments, shall be made available to such Member;
- 2.18 lay down provisions relating to the allocation of income and distribution of Retirement Benefits;
- 2.19 any terms on which a distribution of assets may be made to a Beneficiary(ies);
- 2.20 whether the Scheme is of a Defined Benefit or a Defined Contribution nature; and in the case of a Defined Benefit Scheme, specify the details of any biometrical or investment risks including the nature of the cover provided for such risks; and the details of any persons underwriting the liability of the Scheme providing cover against biometrical risks or guaranteeing a level of performance or benefits;
- 2.21 the process by which a decision of the Contributor(s) or the Beneficiary(ies) shall be made for the purposes of the Scheme;
- 2.22 a provision that in the event of any inconsistency between the Scheme Document and the Act, the Act shall prevail and the Scheme Document shall be deemed to be amended to the extent necessary to conform to such Act;
- 2.23 provisions related to the transferability of the Scheme;
- 2.24 the type of information to be provided to Members and Beneficiaries;
- 2.25 the Scheme's Accounting reference date;
- 2.26 prescribe the basis upon which the Retirement Scheme Administrator, and where applicable, the Investment Manager, Advisor, Custodian and Back-Office Administrator may charge remuneration and expenditure to the Scheme;
- 2.27 lay down the procedures for amending material documentation of the Scheme;

- 2.28 terms of how the retirement benefits, other than any benefits paid on death or permanent invalidity of the Member shall be paid to such Member;
- 2.29 terms of how the retirements benefits, in the case of benefits paid on death or permanent invalidity, shall be paid to such Member;
- 2.30. a statement that the members are offered a selection of investment options to choose from approved by the Investment Manager of the Scheme, where applicable;

Supplementary Conditions for Member Directed Schemes

- 2.31 In the case of Member-Directed Schemes, in addition to the requirements outlined in paragraphs 2.1 to 2.29:
 - (a) a statement that the Scheme operates only as a Member-Directed Scheme;
 - (b) a statement that the Scheme permits Members to direct the investments of their individual accounts, in accordance with Part B.9 of the Pension Rules for Personal Retirement Schemes;
 - (c) a statement that the assets of each Member are to be ring-fenced from the assets of other Members of the Scheme.