

**RETIREMENT PENSIONS ACT  
(CAP. 514)**

**Retirement Pensions (Defined Benefit Retirement Schemes) (Amendment) Regulations,  
2019**

IN EXERCISE of the powers conferred by articles 26 and 37(1)(i) of the Retirement Pensions Act, the Minister responsible for the regulation of financial services, acting on the advice of the Malta Financial Services Authority, has made the following regulations.

Citation and commencement.

**1.** (1) The title of these regulations is the Retirement Pensions (Defined Benefit Retirement Schemes) (Amendment) Regulations, 2019 and they shall be read and construed as one with the Retirement Pensions (Defined Benefit Retirement Schemes) Regulations, 2015, hereinafter referred to as “the principal regulations”.

(2) These regulations shall come into force on the [...].

Amends the title of the principal regulations.

**2.** For the title of the principal regulations, there shall be substituted the following: “RETIREMENT PENSIONS (TECHNICAL PROVISIONS) REGULATIONS”.

Amends regulation 1 of the principal regulations.

**3.** In regulation 1 of the principal regulations, for the words the “Retirement Pensions (Defined Benefit Retirement Schemes) Regulations”, there shall be substituted the words “the Retirement Pensions (Technical Provisions) Regulations”.

Amends regulation 2 of the principal regulations.

**4.** In regulation 2(2) of the principal regulations, the definition “defined benefit retirement scheme” shall be deleted.

Amends regulation 3 of the principal regulations.

**5.** Regulation 3 of the principal regulations shall be amended as follows:

(a) for the words, “shall apply to every defined benefit retirement scheme which is”, there shall be substituted the words, “shall apply to every retirement scheme which is”;

(b) for the words, “or guaranteeing a given level of investment performance or level of benefits in terms of the Act”, there shall be substituted the words, “or guarantees either an investment performance or a given level of benefits in terms of”; and

(c) for the words, “in the regulations shall be construed”, there shall be substituted the words, “in these regulations shall be construed”.

Amends regulation 4 of the principal regulations.

6. Regulation 4 of the principal regulations shall be amended as follows:

(a) in the marginal note thereto, for the words, “Technical funding requirement.”, there shall be substituted the words, “Technical provisions and technical funding requirements.”;

(b) for regulation 4 of the principal regulations, there shall be substituted the following:

“4. (1) Every retirement scheme shall establish sufficient technical provisions in accordance with these regulations and Pension Rules issued thereunder.

(2) The calculation of the technical provisions shall take place at such intervals as stipulated in the Pension Rules.

(3) Every retirement scheme shall be subject to and shall comply with a technical funding requirement, as well as with provisions regarding under-provision or over-provision of the technical funding requirement established in terms of these Regulations.”

Amends regulation 6 of the principal regulations.

7. Regulation 6 of the principal regulations shall be amended as follows:

(a) in sub-regulation (1) thereof:

(i) for the words, “the value of the retirement scheme assets is less”, there shall be substituted the words, “the value of the assets of a retirement scheme is less”;

(ii) for the words, “referred to as “the shortfall”) the employer or contributor shall –”, there shall be substituted the words, “referred to as “the shortfall”), the retirement scheme shall immediately inform the competent authority.”;

(b) for sub-regulations (2), (3) and (4) thereof, there shall be substituted the following:

“(2) The competent authority shall require such retirement scheme to submit a concrete and realisable plan with a timeline in order to ensure that the shortfall is addressed in due time.

(3) The realisable recovery plan referred to in sub-regulation (2) shall be subject to the following conditions:

(a) the retirement scheme shall set up a concrete and realisable plan to re-establish the required amount of assets to cover fully cover the shortfall. The plan shall be made available to members or, where applicable, to their representatives and be subject to approval by the competent authority; and

(b) in drawing up the plan, account shall be taken of the specific situation of the retirement scheme, in particular the asset/liability structure, risk profile, liquidity plan, the age profile of the members entitled to receive benefits, start-up schemes and schemes changing from non-funding or partial funding, to full funding.

(4) Where the retirement scheme fails to comply with the obligations set out in the concrete realisable plan within the timeline stipulated in the said plan, it shall give written notice of the fact to the competent authority.”.

Amends regulation 7 of the principal regulations.

**8.** In sub-regulation (1) of regulation 7 of the principal regulations, for the words, “the value of the retirement scheme assets is more”, there shall be substituted the words, “the value of the assets of the retirement scheme is more”.

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