

PART C

**APPENDICES TO RULES FOR
OCCUPATIONAL RETIREMENT SCHEMES**

APPENDIX 2

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

Contents of the Scheme Document

The Scheme Document must contain or cover the following matters:

- 2.1 a statement that the 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 a statement to the effect that the Scheme Document shall, when duly disclosed to a Member who is also a Contributor, be binding on that Member, unless such Member notifies the Retirement Scheme Administrator of her/his written opposition thereto within two months from receipt of the Scheme Document;

However, where a Member who is not also a Contributor to the Scheme or a Beneficiary opposes the Scheme Document s/he shall forfeit her/his status as a Beneficiary, unless the said Scheme Document reduces the benefits due to her/him under a previously accepted Scheme Document and unless s/he is subject to more restrictive provisions making his affiliation to the Scheme compulsory. By way of the relevant provisions of the Scheme Document, affiliation may be summarised as the maintenance of existing acquired rights or may take the form of continued accumulation of rights in the future;

- 2.8 the identification of all current and future Contributor(s) of the Scheme together with their respective obligations;
- 2.9 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;

- 2.10 the rules or other criteria governing the valuation of assets and liabilities attributable to the Scheme and the timing of such valuations;
- 2.11 the rules governing admissible costs and expenses payable out of the Scheme assets;
- 2.12 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, key function holders, auditor and/ or actuary of the Scheme. There shall be provisions to ensure the protection of Members and Beneficiaries in such circumstances;
- 2.13 the rules governing the surrender, termination or, where appropriate, forfeiture of a Retirement Benefit;
- 2.14 the rules in the event of an inability or failure by a Contributor to fulfil its obligations;
- 2.15 the rules governing alterations to the Scheme Document;
- 2.16 the circumstances leading to the termination of the Scheme, saving the cases established by law;
- 2.17 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;
- 2.18 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;
- 2.19 lay down provisions relating to the allocation of income and distribution of Retirement Benefits;
- 2.20 any terms on which a distribution of assets may be made to a Beneficiary(ies);
- 2.21 whether the Scheme is of a Defined Benefit or a Defined Contribution, Open or Closed form; 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;
- 2.22 the process by which a decision of the Contributor(s) or the Beneficiary(ies) shall be made for the purposes of the Scheme;
- 2.23 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;

- 2.24 provisions related to the transferability of the Scheme;
- 2.25 a statement that in circumstances where a Contributor terminates his/her employment to take up employment in a foreign country where there are no Occupational Retirement Schemes, that individual will have the possibility to continue providing contributions himself/ herself to the Retirement Scheme – subject to the provision that the individual will additionally be obliged to provide himself/ herself for the contributions previously payable by his/ her past employer from whom such individual would have terminated employment;
- 2.26 provisions enabling contributions to continue to be made to a Scheme by or on behalf of workers who are posted in another Member State or EEA State during the period of such posting;
- 2.27 provisions that where contributions are being made to a Scheme as provided for in paragraph 2.26 above, the posted worker (and where applicable his/her employer) shall be exempt from any obligation to make contributions to a pension scheme or arrangement in another Member State or EEA State;
- 2.28 the type of information to be provided to Members and Beneficiaries;
- 2.29 the Scheme's Accounting reference date;
- 2.30 prescribe the basis upon which the Retirement Scheme Administrator, and where applicable, Investment Manager, Advisor, and Custodian may charge remuneration and expenditure to the Scheme;
- 2.31 lay down the procedures for amending material documentation of the Scheme;
- 2.32 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.
- 2.33 terms of how the retirements benefits, in the case of benefits paid on death or permanent invalidity, shall be paid to such Member;
- 2.34 In the case where a Scheme is investing solely in a Retirement Fund, the deed constituting the Retirement Scheme may provide that Members' contributions are to be channelled through sub-funds within the Retirement Fund.
- 2.35 Where a Scheme is operated in accordance with different scheme documents for several Sponsoring Undertakings:
- i. the conditions and terms under which one or more Sponsoring Undertakings may leave;
 - ii. the rules for distributing assets in the case of one or more Sponsoring Undertakings leaving or becoming insolvent;
- 2.36 Where a Scheme is itself accepting Biometrical and / or financial risks and grouping several Sponsoring Undertakings belonging to the same group, or not in the same compartment / Sub-fund, the obligations of each undertaking in the case of under-

financing of the Scheme and in the case of insolvency of one or more Sponsoring Undertakings.

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