

SCHEDULE 19

Regulation Q2(6)

FUND APPORTIONMENT FOR CHANGES OF FUND WITHIN LOCAL GOVERNMENT

PART I

1. This Part of this Schedule applies if the fund is to be apportioned under regulation Q2(6) and of all the persons who are changing funds do so on the same day.
2. The previous fund authority shall obtain a report from their actuary specifying the apportionment fraction to be applied in apportioning the fund together with details of the calculation.
3. The apportionment fraction is—

$$\frac{\frac{A}{B} \times (C + D) - E}{C}$$

, where—

A is the value at the relevant date of the accrued actuarial liabilities of the fund which relate to the persons changing funds on that date,

B is the value at the relevant date of all accrued actuarial liabilities of the fund;

C is the value at the relevant date of the transferable assets of the fund minus any sums then due from the fund,

D is the value at the relevant date of any adjustments to be made in consequence of a certificate under regulation P6(1)(b) to sums (other than sums then due to the fund) to be contributed to the fund under regulation P7(1), and

E is the value at the relevant date of the part (if any) of those adjustments which relates to the persons changing funds on that date.

4. The relevant date is the date on which the change of fund occurs.
5. The accrued actuarial liabilities of the fund are the actual and potential liabilities of the fund in connection with any service or employment before the relevant date and, for this purpose, it is to be assumed that the liabilities which relate to those changing funds remain liabilities of the fund.
6. The transferable assets of the fund are the assets which belong to the fund at the relevant date.
7. The values of items D and E are to be agreed between the fund's actuary and the actuary of the new fund authority or, if they are unable to agree, they are to be determined by an actuary appointed by the Secretary of State.
8. Subject to paragraph 7, valuations are to be made by the fund's actuary.
9. Where more than one new fund authority is involved, separate apportionment fractions shall be specified in the actuary's report for the different new fund authorities.
10. When the previous fund authority receive the actuary's report they shall provide the new fund authority with a copy of it.
11. The value of the share of the fund to which the new fund authority are entitled shall be calculated in accordance with the formula:

$$V = W \times [X - (Y + Z)]$$

, where—

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V is the value of the share of the fund to which the new fund authority are entitled,

W is the apportionment fraction specified in the actuary's report,

X is the value (determined by the fund's actuary) at the apportionment date of the transferable assets which still belong to the fund at that date and any other assets which belong to the fund at that date which represent in any form or have accrued from any transferable asset,

Y is the total of any sums due from the fund at the relevant date and still outstanding at the apportionment date, and

Z is the total of any sums due from the fund at the apportionment date (but not at the relevant date) in respect of any expenditure in connection with the transferable assets of the fund or assets representing or accruing from those assets.

12. The apportionment date is the date specified as such by the previous fund authority in a notice given to the new fund authority.

13. Except with the agreement of the new fund authority, the apportionment date shall not be later than six months after the date on which the previous fund authority receive the actuary's report.

14. Subject to paragraphs 15 to 17, immediately after the apportionment date the previous fund authority shall transfer to the new fund authority assets of the fund of a value at the apportionment date equal to the value of the new fund authority's share of the fund and, unless the previous fund authority and new fund authority otherwise agree, the composition of the assets to be transferred shall so far as possible reflect the composition of the transferable assets which still belong to the fund at the apportionment date and any other assets which belong to the fund at that date which represent in any form or have accrued from any transferable asset.

15. The previous fund authority and the new fund authority may agree to transfer assets in advance of the apportionment date.

16. The value of an advance under paragraph 15 shall not exceed such sum as the fund's actuary may specify as appropriate in the circumstances.

17. Where an advance is made under paragraph 15, the previous fund authority's liability under paragraphs 11 and 14 shall be reduced by an amount equal to:

$$\frac{L}{M} \times N$$

, where—

L is the value of the advance,

M is the value of the share of the fund to which the the new fund authority would have been entitled under paragraph 11 if the apportionment date had been the date on which the advance was made, and

N is the value of the share of the fund to which the new fund authority would have been entitled under paragraph 11 if the advance had not been made.

18. The previous employing authority shall bear the costs of apportioning the fund or, if there is more than one previous employing authority involved each shall bear such part of the costs as the fund's actuary determines.

19. The previous fund authority shall keep their accounts in a form which enables the calculations required in apportioning the fund to be made, and they shall also provide the fund's actuary with any information he requires in connection with the apportionment.

PART II

20. This Part of this Schedule applies where the fund is to be apportioned under regulation Q2(6) and the persons changing funds do so on different days.

21. The provisions of Part I of this Schedule are to apply to the apportionment as if the changes of fund had occurred on a single date, but suitable adjustments are to be made to the sums payable to the new fund authority to reflect the fact that the changes of fund occur on different dates.

22. If any question arises in connection with paragraph 21, it shall be determined by the fund's actuary and the actuary of the new fund authority, or, if they are unable to agree, by an actuary appointed by the Secretary of State.