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STATUTORY INSTRUMENTS

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**1996 No. 1536**

**The Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations 1996**

Valuation of assets and liabilities

**Determination, valuation and verification of assets and liabilities: general**

3.—(1) The liabilities and assets of a scheme which are to be taken into account for the purposes of sections 56 to 61 (minimum funding etc.) and their amount and value shall be determined, calculated and verified by the actuary—

- (a) in the manner specified in regulations 4 to 9;
- (b) in the case of any valuation for the purpose of forming an opinion as to whether the minimum funding requirement is met on a relevant date, on the general assumptions specified in paragraphs (2) and (3); and
- (c) in accordance with the guidance given in GN 27;

and where in these Regulations there is a reference to the value of any asset or the amount of any liability being calculated or verified in accordance with the opinion of the actuary or as he thinks appropriate, he shall comply with any relevant provisions in that guidance in making that calculation or verification.

(2) The assumptions mentioned in paragraph (1)(b) are—

- (a) that no contributions will become due to the scheme from the employer or the members on or after the relevant date;
- (b) that all pensionable service under the scheme ceased immediately before that date;
- (c) that liabilities in respect of members will be so secured that—
  - (i) the benefits of pensioner members will be equal in value to those under the scheme; and
  - (ii) the benefits of active members and deferred members will be reasonably likely to be equal in value to those payable in respect of their accrued rights under the scheme; and
- (d) that liabilities in respect of members will include such amounts in respect of the expenses involved in meeting them as are indicated by the guidance given in GN 27.

(3) Where arrangements are being made by the scheme for the transfer to or from it of accrued rights, until such time as the trustees or managers of the scheme to which the transfer is being made (“the receiving scheme”) have received assets of the full amount agreed by them as consideration for the transfer, it shall be assumed—

- (a) that the rights have not been transferred; and
- (b) that any assets transferred in respect of the transfer of those rights—
  - (i) are assets of the scheme making the transfer and not of the receiving scheme, and
  - (ii) have such a value as is determined in accordance with the guidance given in GN 27.