



## EXPLANATORY MEMORANDUM TO PROFESSIONAL STANDARD 410

### STATEMENTS OF OPINION RELATING TO DEFINED BENEFIT PENSIONS

December 2017

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#### About this Explanatory Memorandum

This Explanatory Memorandum has been prepared by the Superannuation Practice Committee (SPC) to assist Members in understanding proposed new Professional Standard 410 (Statements of Opinion Relating to Defined Benefit Pensions).

The substance of PS410 is unchanged from the previous mandatory Guidance Note 465, except that the formula previously in 9.6 has been deleted.

#### REASONS FOR CHANGE

PS410 is to replace mandatory Guidance Note 465 – Statements of Opinion relating to Defined Benefit Pensions SIS Regulation 9.31. The reasons for this are set out below.

1. Changed Legislation and APRA Standards

Regulation 9.31(1) of the Superannuation Industry (Supervision) Act 1993 (the SIS Act), inserted by Modification Declaration No. 23 has been replaced by an amended Regulation 9.31(1) of the SIS Act and clause 23 of APRA SPS160 Defined Benefit Matters.

2. Changed Actuaries Institute Policy

Actuaries Institute Policy now requires mandatory guidance notes to be replaced by professional standards.

Guidance Note 465 will be withdrawn on the effective date of PS 410, which takes effect in respect of valuations on or after 1 January 2018.

#### Consultation

The Exposure Draft of PS 410 was released to members for consultation on 10 August 2017. Consultation closed on 30 September 2017, and no comments were received.

**END OF EXPLANATORY MEMORANDUM**