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| FRD 14 |  |  | Disclosures in Annual Reports by Public Sector Superannuation Schemes (November 2005) |
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| Purpose |  | 1.1 | To prescribe additional disclosures in the annual report by a public sector superannuation scheme. |
| Application |  | 2.1 | Applies to all public sector superannuation schemes declared to be a superannuation body under section 3 of the *Financial Management Act* 1994 (FMA), and are bodies to which Part 7 of the FMA apply. |
| Operative date |  | 3.1 | * **Reporting periods commencing 1 July 2003.** * **Ministerial Direction 9.1.3(iii)(a)-(d) is withdrawn effective 1 July 2003.** |
| Requirements |  | 4.1 | The annual report of a public sector superannuation scheme must include:   * **a list of the superannuation funds that it manages, and a general statement specifying which scheme members are covered by each fund, the types of benefits provided, and the basis of the employer’s funding; information about the terms and conditions of membership for each fund that is managed, including any changes in these during the year;** * **an Investment Performance Report, which includes information relating to:**   + **investment objectives, powers and policies of trustees and investment managers;**   + **details of investments and returns classified by type and distinguishing between internally managed and externally managed investments and domestic and overseas holdings;** * **an Actuarial Overview, which includes information relating to:**   + **date of last actuarial report, actuarial assumptions, methodology and recommendations, including any action taken;**   + **changes in conditions since last actuarial report and the associated impact; and**   + **adequacy of scheme assets to meet obligations and any contingent liability on termination or otherwise of the scheme.** |
| Definitions |  | 5.1 | **Public sector superannuation scheme** – a scheme for the payment of superannuation, retirement or death benefits, which is established for employees of entities defined as either a public body or a department under section 3 of the FMA. |
| Guidance |  | 6.1 | This FRD prescribes annual report disclosures for a public sector superannuation scheme additional to those required by FRD 22 ”Standard Disclosures in the Report of Operations” and AAS 25 “Financial Reporting by Superannuation Plans”.  The prescribed disclosures may be made in either the report of operations or as a note to the financial statements.  Information regarding the terms and conditions of membership should relate to the eligibility criteria an employee must satisfy to become a member of a scheme, including conditions relating to member contributions. The following is an extract from the annual report of a public sector superannuation scheme:  ‘The Transport Scheme is a defined benefit scheme established by the Transport Superannuation Act 1988 and opened to members on 1 July 1988. The Scheme provides benefits for all employees, including temporary employees, who were employed by a transport authority as defined in the Act. The Scheme was closed to new members on 31 December 1993. Members may elect to make no contributions or contribute 2.5%, 5% or, in certain limited cases, 7.5% of their salary to the fund’.  Changes to terms and conditions of membership should include any changes to the eligibility criteria or any legislative changes that amend the governing rules of a scheme.  Appendix 1 lists public sector superannuation schemes that are declared bodies under section 3 of the FMA. |
| Relevant pronouncements |  | 7.1 | AAS 25 "Financial Reporting by Superannuation Plans" (March 1993).  FRD 22 'Standard Disclosures in the Report of Operations' |
| Background |  | 8.1 | "AAS 25 specifies the manner in which superannuation plans should account for particular transactions and events, the format of the financial statements, and the disclosure of certain information in the financial report of a public sector superannuation scheme.  "This FRD prescribes additional disclosures in an entity's annual report to provide information that is relevant in explaining the performance of the public sector superannuation scheme.  "Ministerial Direction 9.1.3(iii)(a)-(d) previously required similar disclosures. |
| Appendix 1 |  |  | Declared bodies under section 3 of the FMA  The following public sector superannuation schemes are declared bodies for the purpose of this FRD:  Emergency Services Superannuation Scheme  Parliamentary Contributory Superannuation Fund  State Superannuation Fund |