

3600 REPORTING: EXTERNAL USER REPORT

.01 *In the case of an external user report on work which includes a valuation of assets and liabilities, the actuary should summarize the result of the valuation and should*

describe the source and verification of data with respect to members, plan provisions, and assets, and the date at which they were compiled,

describe the data with respect to members,

describe the plan's provisions, including the identification of any expected amendment that has been valued,

disclose subsequent events, whether or not the events are taken into account in the work, and, if there are no subsequent events, include a statement to that effect,

describe the method and assumptions for valuation of the liabilities, and

describe the method to value the assets, disclose their value, and, if available, their market value and their value in the plan's financial statements, and provide an explanation of any differences among them.

1820.02

.02 *If the valuation includes no provision for adverse deviations, the actuary should say so and say why.*

.03 *If the report gives advice on funding, then the actuary should*

describe the actuarial cost method in the case of a going concern valuation and the method to value benefits in the case of a wind-up valuation,

if recommending contributions, describe their determination between the calculation date and the next calculation date,

if contributions are fixed, either

report that the contributions are adequate to fund the plan, or

report the required increase in contributions, the required reduction in benefits, or the combination thereof that will address the funding shortfall,

except where

the plan is a "designated plan" that has as members only persons "connected" with the employer (as those two terms are defined in the Income Tax Regulations), and

the sole purpose of the valuation is to determine the maximum contributions permitted under the Income Tax Act,

disclose the amount of funding needed in accordance with accepted actuarial practice if reporting lower funding for a registered plan in accordance with law or the terms of the engagement,

name the next calculation date,

disclose any pending but definitive or virtually definitive amendment, the funding of which has been deferred beyond the next calculation date,

in the case of a going concern valuation, describe and quantify the gains and losses between the prior calculation date and the calculation date,

disclose the financial position of the plan if it were to be wound up on the calculation date, unless the plan does not define the benefits payable upon wind-up, in which case the actuary should include a statement to that effect, and

if the report gives advice on funding, the description of assumptions should include the rationale for the selection of each assumption that is material to such advice.

.04 *If the report gives advice on accounting, the actuary should*

describe the actuarial cost method,

describe the method and period selected in connection with any amortization of pension costs,

if the valuation is an extrapolation of an earlier valuation, describe the method and any assumptions for, and the period of, the extrapolation,

state whether or not the valuation conforms with the accounting standards specified by the terms of the engagement, and

either opine that the assumptions used are, or are not, in accordance with accepted actuarial practice, or state that the actuary expresses no such opinion.

.05 *The report should be sufficiently detailed to enable another actuary to examine the reasonableness of the valuation.*

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Statements of Opinion

.06 *If the report gives advice on funding, the actuary should provide the following four statements of opinion, all in the same section of the report and in the following order:*

1. *a statement as to data, which should usually be as follows: “In my/our opinion, the data on which the valuation is based are sufficient and reliable for the purpose of the valuation.”;* 1530
2. *a statement as to assumptions, which should usually be as follows: “In my/our opinion, the assumptions are, in aggregate, appropriate for the purpose(s) of....”;* 1730
3. *a statement as to methods, which should usually be as follows: “In my/our opinion, the methods employed in the valuation are appropriate for the purpose(s) of....”; and*
4. *a statement as to conformation, which should be as follows: “This report has been prepared, and my/our opinions given, in accordance with accepted actuarial practice.” [Effective December 1, 2002]*

.07 Where different statements of opinion apply in respect of different purposes of the valuation, the above requirements may be modified but would be followed to the extent practicable.

.08 While a separate statement as to assumptions would generally be included in respect of each purpose of the valuation, the statements as to assumptions may be combined where the statements do not differ between some or all of the valuation’s purposes. The report would clearly indicate which statement as to assumptions applies to each of the valuation’s purposes.

.09 While a separate statement as to methods would generally be included in respect of each purpose of the valuation, the statements as to methods may be combined where the statements do not differ between some or all of the valuation’s purposes. The report would clearly indicate which statement as to methods applies to each of the valuation’s purposes.

Data

.10 The description of verification of data would include a description of the main tests of the data’s sufficiency and reliability and of any assumptions in respect of insufficient or unreliable data.

Assumptions

.11 The description of assumptions would include a description of each nominal change to the assumptions of the prior valuation and a quantification of their aggregate effect. However, if a plan amendment prompts the actuary to change the assumptions, the actuary may report the combined effect of the amendment and the resultant change in assumptions. 1510.13
1750

Methods

- .12 The description of the method to value the assets would include a description of any change to the method of the prior valuation and a quantification of the effect of the change.
- .13 The description of the actuarial cost method would include a description of any change to the method of the prior valuation and a quantification of the effect of the change.
- .14 For a funding valuation, the description of the actuarial cost method would include a description of
- the effect of the selected actuarial cost method on the security of benefits and on the pattern of future contributions,
 - the options with respect to any shortfall or excess of assets over liabilities, and
 - any anticipated or deferred funding, any taking account of imminent wind-up and, in the case of anticipated or deferred funding, a quantification of its financial effect on the value of benefits and on the pattern of future contributions.