

TECHNICAL BULLETIN

NO.4

MARCH 2003



TO ALL EMPLOYERS WITH MEMBERS IN THE LOCAL GOVERNMENT PENSION SCHEME. PLEASE ENSURE COPIES ARE PASSED TO RELEVANT STAFF.

FRS17

Background

Financial Reporting Standard (FRS)17 – *Retirement Benefits* was issued by the Accounting Standards Board in November 2000. Within the Local Government Pension Scheme the Standard applies to the accounts of some (but by no means all) participating employers (and not the Fund's own accounts). FRS17 requires a more detailed disclosure of pensions costs and funding balances than had previously been the case. We are currently in the second year of phased implementation of the Standard.

Role of the Strathclyde Pension Fund Office (SPFO)

FRS 17 disclosures are based on actuarial - rather than cash - measurements, and the Fund's primary role is as an intermediary between employers and the actuary. For those employers who require to make FRS17 disclosures in their accounts, SPFO will commission the necessary calculations from its actuary, Hymans Robertson, and will supply the various data which the actuary requires. The Fund makes no charge for this service, but the actuarial fees are passed on to employers.

31st March 2003

A majority of the Fund's employers have 31st March accounting year ends. I have today written separately to those employers who requested FRS 17 calculations at 31st March last year, to provide details of the proposed arrangements for this year. However, there may be employers who require to make FRS17 disclosures for the first time this year (for instance new employers). Bulk processing is crucial to the smooth production of the FRS17 disclosures (and secures significant fee discounts). If your organisation does require FRS17 disclosure calculations as at 31st March 2003 it is essential that you let us know before 31st March. Please respond as undernoted.

Other Employers/ Other Year Ends

Employers with year ends other than 31st March, and who require SPFO to arrange FRS17 calculations, should confirm their requirements to SPFO in advance of their year end. Employers who do not require to make FRS17 disclosures or who have made separate arrangements for production need do nothing, though it would be helpful if you could briefly confirm your position to us for our records.

Compliance

Please note that SPFO is not advocating that employers should comply with FRS17. Nor are we able to advise whether this is the case. Any questions about compliance requirements should be addressed to your auditor. SPFO's role is to facilitate the process for those employers who have confirmed that their accounts are required to comply with the Standard.

Full details of the FRS17 arrangements are available on request. If you wish further information on any aspect contact Puja Parbhaker (Pension Fund Accountant), e-mail puja.parbhaker@fs.glasgow.gov.uk or telephone 0141 287 7398.