

Chapter 19

Pensions supplementary provisions

Value data requirements

This annex belongs to ■ COBS 19.11.23R

Money purchase benefits

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- 1 This section sets out the *value data* required in relation to a *relevant pension scheme member with money-purchase benefits*.
- 1.1 Subject to 1.2, the *value data* to be provided is:
- (1) an *accrued pension pot value*;
 - (2) an *annualised accrued pension value*, prepared using the methodology set out in the *relevant pension guidance*, less the elements regarding future contributions and growth and calculated as if the *relevant pension scheme member* has reached their *retirement date* on the *illustration date*;
 - (3) if held, a *projected pension pot value*, prepared using the methodology set out in the *relevant pension guidance*; and
 - (4) an *annualised projected pension value*, prepared using the methodology set out in the *relevant pension guidance*.
- 1.2 The *value data* in 1.1(2) to 1.1(4) need only be provided once a *pension illustration* has been given after 1 October 2023.
- 1.3 Before 1 October 2023, and between 1 October 2023 and a *firm* producing a *pension illustration*, a *firm* may provide the *value data* referred to in COBS 19 Annex 6 1.1R(2) to 1.1R(4) on a voluntary basis, but if it does, it must use the version of the *relevant guidance* available at the *illustration date*.

Non-money purchase benefits (other than cash balance benefits)

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- 2 This section sets out the *value data* required in relation to a *relevant pension scheme member with non-money purchase benefits, other than cash balance benefits*.
- 2.1 In respect of an *active pension scheme member*, *value data* required is:
- (1) an *accrued pension value* calculated in accordance with the *relevant pension scheme's* rules, valued to the *illustration date* as if the *relevant pension scheme member* has reached their *retirement date* on the *illustration date* and without regard to possible increases in earnings;
 - (2) a projected value calculated in accordance with the *relevant pension scheme's* rules and without regard to possible increases in earnings, that would be payable from the date benefits are payable if the *relevant pension scheme member* was to cease to accrue benefits in the *relevant pension scheme* on reaching their *retirement date*.
- 2.2 In respect of a *deferred pension scheme member* or a *pension credit member*:
- (1) a *firm* must provide an *accrued pension value* calculated in accordance with the *relevant pension scheme* rules and valued to the *illustration date*, as if the *relevant pension scheme member* has reached their *retirement date* on the *illustration date*; or
 - (2) a simplified *accrued pension value* calculated using a method of adjustment which the *firm* considers to be appropriate and valued to the *illustration date* and as if the *relevant pension scheme member* has reached

their *retirement date* on the *illustration date*, where each of the following conditions applies:

- (a) no more than 2 years has passed since the *firm* has connected to the *MaPS dashboards digital architecture*;
- (b) a value in accordance with (1) above could not be provided within the timescales required under COBS 19.11.29R(2) without disproportionate cost and within a reasonable time; and
- (c) the *firm* is content that the simplified *accrued pension value* in (2) is an appropriate representation of the value of the benefits.

(3) A *firm* in 2.2(2) may consider it to be appropriate to use rates of inflation as part of the method of adjustment.

2.3

- (1) The *value data* described within this section may be provided as an income or a fixed lump sum or both, where a fixed lump sum is the actuarial value of a benefit which is designed to be taken as a lump sum.
- (2) Where the *value data* set out in 2.1 and 2.2 is comprised of *tranches*, a *firm* must provide:
 - (a) whichever of the following it considers would provide the best representation of the benefit:
 - (i) a combined value covering all the *tranches* of benefit, along with a single common *retirement date*; or
 - (ii) a separate set of values for different combinations of *tranches* of benefits, along with a *retirement date* in relation to each; and
 - (b) in accordance with the *pensions dashboard standards* on data, an explanation of the circumstances in which a benefit referred to may cease or reduce from a certain age.

Cash balance benefits

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This section sets out the *value data* required in relation to a *relevant pension scheme member* with *cash balance benefits*.

3.1

In respect of an *active pension scheme member*, the *value data* required is:

- (1) an *accrued pension fund value* calculated in accordance with the *relevant pension scheme's* rules valued to the *illustration date* and without regard to possible increases in earnings;
- (2) a *projected pension fund value* calculated in accordance with the *relevant pension scheme's* rules and without regard to possible increases in earnings, that would be payable from the date benefits are payable if the *relevant pension scheme member* was to cease to accrue benefits in the *relevant pension scheme* on reaching their *retirement date*;
- (3) an *annualised accrued pension value*, which is:
 - (a) based on the *accrued pension fund value* referred to in (1) above; and
 - (b) prepared using the methodology set out in the *relevant pension guidance*, less the elements regarding future contributions and growth and calculated as if the *relevant pension scheme member* has reached their *retirement date* on the *illustration date*; and
- (4) an *annualised projected pension value* which is:

	(a)	based on the <i>projected pension fund value</i> referred to in (2) above; and
	(b)	calculated in accordance with the <i>relevant pension guidance</i> , less the elements regarding future contributions and growth.
3.2		In respect of a <i>deferred pension scheme member</i> or a <i>pension credit member</i> , the <i>value data</i> required is:
	(1)	an <i>accrued fund value</i> which is calculated in accordance with the <i>relevant pension scheme's</i> rules and is valued to the <i>illustration date</i> ; and
	(2)	an <i>annualised accrued pension value</i> based on the <i>relevant pension scheme</i> rules and calculated as if the <i>relevant pension scheme member</i> has reached their <i>retirement date</i> on the <i>illustration date</i> .
Hybrid benefits		
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4		This section sets out the <i>value data</i> required in relation to a <i>relevant pension scheme member</i> with <i>hybrid benefits</i> .
4.1		In respect of a <i>relevant pension scheme member</i> with <i>hybrid benefits</i> , the <i>value data</i> required is that which the <i>firm</i> considers best represents the value of the <i>relevant pension scheme member's</i> benefits under the scheme, calculated in accordance with what the <i>firm</i> considers to be the appropriate methodology from COBS 19 Annex 6 1R to COBS 19 Annex 6 3R above and indicating which methodology it has applied to the calculation for each benefit.