Code:	QA325
Title:	Pension Control Account
Date:	16th December 2010
Approval:	UMT-FRC-Údarás na hOllscoile

1.0 Purpose
To ensure the University complies fully and in all respects with relevant legislation, regulations, best practice governance, and Government directives.

2.0 Description
This policy sets out the general principles underlying the Pension Control Account of University of Galway ("the University").

2.1 Following, the transfer of university pension funds to the National Pension Reserve Fund pensions will effectively operate on a Pay-As-You-Go (PAYG) basis. In order to avoid any shocks to the system arising from the transfer universities will continue to account for employer pension contributions in the short-term at least and no adjustment will therefore be made to university funding levels in this regard. Universities are required to account for all pension related inflows and outflows that would have been due to be paid in to or out of the fund had the fund continued.

2.2 In this regards, the Higher Education Authority (HEA) issued detailed procedures for the operation of a Pension Control Account post transfer of University pension schemes to the NPRF. This University policy reflects those HEA issued procedures, which are detailed hereunder. As the model scheme also operates on a PAYG two separate pension control account will be operated to account for inflows and outflows on an annual basis.

2.3 The control account operates as follows:

Income

Income in the pension control account:

- Employer contributions
- Employee contributions
- Pension transfer in – cash received
- Income in respect of staff purchasing additional years' service
- Supplementation income

Expenditure

Expenditure in the pension control account:

- Pension Payments (Pensioner, Widows & Supplementation for both)
- Lump Sum Payments on Retirement
- Pension transfer out – cash paid
- Refunds of contributions (employee only)
- Death in Service Payments
- Pension Administration costs (at existing levels where currently met by the pension fund)
- Any other expenditure currently paid from the fund (if applicable).

At the end of each financial year (30th September) there will be a surplus/(deficit) on the pension control account which represents a net cash inflow/(outflow) to/from the fund. Surpluses where they arise are repayable to the HEA at the end of the year and offset against grants and where deficits arise these will be transparently met by the HEA through its grant allocation system.

The pension control account as detailed above will also be included as a disclosure note in the university harmonised financial statements and accordingly are subject to audit by university external commercial auditors.

3.0 Responsibilities

Name	**Responsibility**
Pensions & Investments Manager	Policy Owner