



# Financial Sector (Collection of Data) (reporting standard) determination No. 4 of 2015

## Reporting Standard SRS 160.1 Defined Benefit Member Flows

### *Financial Sector (Collection of Data) Act 2001*

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I, Charles Littrell, delegate of APRA, under paragraph 13(1)(a) of the *Financial Sector (Collection of Data) Act 2001* (the Act) and subsection 33(3) of the *Acts Interpretation Act 1901*:

- (a) REVOKE Financial Sector (Collection of Data) (reporting standard) determination No. 17 of 2014, including *Reporting Standard SRS 160.1 Defined Benefit Member Flows* made under that Determination; and
- (b) DETERMINE *Reporting Standard SRS 160.1 Defined Benefit Member Flows*, in the form set out in the Schedule, which applies to the financial sector entities to the extent provided in paragraph 3 of the reporting standard.

Under section 15 of the Act, I DECLARE that the reporting standard shall begin to apply to those financial sector entities, and the revoked reporting standard shall cease to apply, on 1 July 2015.

This instrument commences on the date of registration on the Federal Register of Legislative Instruments.

Dated: 10 June 2015

[Signed]

Charles Littrell  
Executive General Manager  
Policy, Statistics and International Division

## **Interpretation**

In this Determination:

*APRA* means the Australian Prudential Regulation Authority.

*financial sector entity* has the meaning given by section 5 of the Act.

## **Schedule**

*Reporting Standard SRS 160.1 Defined Benefit Flows* comprises the 12 pages commencing on the following page.



## Reporting Standard SRS 160.1

### Defined Benefit Member Flows

#### Objective of this Reporting Standard

This Reporting Standard sets out the requirements for the provision of information to APRA relating to contributions and payments from a defined benefit RSE and a defined benefit sub-fund.

It includes *Form SRF 160.1 Defined Benefit Member Flows* and associated specific instructions and must be read in conjunction with *Prudential Standard SPS 160 Defined Benefit Matters*.

#### Authority

1. This Reporting Standard is made under section 13 of the *Financial Sector (Collection of Data) Act 2001*.

#### Purpose

2. Information collected in *Form SRF 160.1 Defined Benefit Member Flows* (SRF 160.1) is used by APRA for the purposes of prudential supervision and publication, including assessing compliance with *Prudential Standard SPS 160 Defined Benefit Matters* (SPS 160)

#### Application and commencement

3. This Reporting Standard applies to each registrable superannuation entity (RSE) licensee (RSE licensee) in respect of each defined benefit RSE and each sub-fund within its business operations.<sup>1</sup>
4. This Reporting Standard applies for reporting periods ending on or after 1 July 2015.

<sup>1</sup> For the purposes of this Reporting Standard, an ‘RSE licensee’s business operations’ includes all activities as an RSE licensee (including the activities of each RSE of which it is the licensee), and all other activities of the RSE licensee to the extent that they are relevant to, or may impact on, its activities as an RSE licensee. For the avoidance of doubt, if the RSE licensee is trustee of more than one defined benefit RSE or sub-fund, the RSE licensee must separately provide the information required by the form for each defined benefit RSE or sub-fund within its business operations. An RSE licensee that does not have any defined benefit RSEs or sub-funds within its business operations is not required to provide information under this Reporting Standard.

## Information required

5. An RSE licensee to which this Reporting Standard applies must provide APRA with the information required by SRF 160.1 in respect of each reporting period.

## Forms and method of submission

6. The information required by this Reporting Standard must be given to APRA in electronic format using the 'Direct to APRA' application or, where 'Direct to APRA' is not available, by a method notified by APRA, in writing, prior to submission.

*Note:* the 'Direct to APRA' application software (also known as 'D2A') may be obtained from APRA.

## Reporting periods and due dates

7. Subject to paragraph 8, an RSE licensee to which this Reporting Standard applies must provide the information required by this Reporting Standard in respect of each quarter based on the year of income of each defined benefit RSE, or of the RSE within which each sub-fund is located, within its business operations.
8. If, having regard to the particular circumstances of an defined benefit RSE or sub-fund, APRA considers it necessary or desirable to obtain information more or less frequently than as provided by paragraph 7, APRA may, by notice in writing, change the reporting periods for the particular defined benefit RSE or sub-fund.
9. The information required by this Reporting Standard must be provided to APRA:
  - (a) in the case of quarterly information:
    - (i) for reporting periods ending on or after 1 July 2015 but before 1 July 2017 – within 35 calendar days after the end of the quarter to which the information relates<sup>2</sup>; and
    - (ii) for reporting periods ending on or after 1 July 2017 – within 28 calendar days after the end of the quarter to which the information relates; and
  - (b) in the case of information provided in accordance with paragraph 8, within the time specified by notice in writing.
10. APRA may grant, in writing, an RSE licensee an extension of a due date with respect to one or more defined benefit RSEs or sub-funds within its business operations, in which case the new due date for the provision of the information will be the date on the notice of extension.

## Quality control

11. The information provided by an RSE licensee under this Reporting Standard must be the product of systems, procedures and internal controls that have been reviewed and tested by the RSE auditor of the defined benefit RSE or the RSE within which sub-

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<sup>2</sup> For the avoidance of doubt, if the due date for a particular reporting period falls on a day other than a usual business day, an RSE licensee is nonetheless required to submit the information required no later than the due date.

fund, to which the information relates, is located.<sup>3</sup> This will require the RSE auditor to review and test the RSE licensee's systems, procedures and internal controls designed to enable the RSE licensee to report reliable information to APRA. This review and testing must be done on:

- (a) an annual basis or more frequently if necessary to enable the RSE auditor to form an opinion on the reliability and accuracy of information; and
  - (b) at least a limited assurance engagement consistent with professional standards and guidance notes issued by the Auditing and Assurance Standards Board as may be amended from time to time, to the extent that they are not inconsistent with the requirements of SPS 310.
12. All information provided by an RSE licensee under this Reporting Standard must be subject to systems, processes and controls developed by the RSE licensee for the internal review and authorisation of that information. It is the responsibility of the Board and senior management of the RSE licensee to ensure that an appropriate set of policies and procedures for the authorisation of information submitted to APRA is in place.

### Authorisation

13. When an officer or agent of an RSE licensee provides the information required by this Reporting Standard using the 'Direct to APRA' software, it will be necessary for the officer or agent to digitally sign the relevant information using a digital certificate acceptable to APRA.
14. If the information required by this Reporting Standard is provided by an agent who submits using the 'Direct to APRA' software on the RSE licensee's behalf, the RSE licensee must:
- (a) obtain from the agent a copy of the completed form with the information provided to APRA; and
  - (b) retain the completed copy.
15. An officer or agent of an RSE licensee who submits the information under this Reporting Standard for, on behalf of, the RSE licensee must be authorised by either:
- (a) the Chief Executive Officer of the RSE licensee; or
  - (b) the Chief Financial Officer of the RSE licensee.

### Variations

16. APRA may, by written notice to an RSE licensee, vary the reporting requirements of SRF 160.1 in relation to that RSE licensee or one or more defined benefit RSEs or sub-funds within that RSE licensee's business operations.

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<sup>3</sup> Refer also to *Prudential Standard SPS 310 Audit and Related Matters* (SPS 310).

## Interpretation

### 17. In this Reporting Standard:

**APRA** means the Australian Prudential Regulation Authority established under the *Australian Prudential Regulation Authority Act 1998*;

**Chief Executive Officer** means the chief executive officer of the RSE licensee, by whatever name called, and whether or not he or she is a member of the Board of the RSE licensee<sup>4</sup>;

**Chief Financial Officer** means the chief financial officer of the RSE licensee, by whatever name called;

**defined benefit RSE** means an RSE that is a defined benefit fund within the meaning given in SPS 160;

**due date** means the relevant date under paragraph 9 or, if applicable, paragraph 10;

**reporting period** means a period mentioned in paragraph 7 or, if applicable, paragraph 8;

**RSE** means a registrable superannuation entity as defined in section 10(1) of the SIS Act;

**RSE auditor** means an auditor appointed by the RSE licensee to perform functions under this Reporting Standard;

**RSE licensee** has the meaning given in section 10(1) of the SIS Act;

**SIS Act** means *Superannuation Industry (Supervision) Act 1993*;

**SIS Regulations** means *Superannuation Industry (Supervision) Regulations 1994*;

**sub-fund** means a defined benefit sub-fund within the meaning given in SPS 160; and

**year of income** has the meaning given in section 10(1) of the SIS Act.

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<sup>4</sup> Refer to *Prudential Standard SPS 510 Governance*.

## SRF 160.1: Defined Benefit Member Flows

<b>Australian Business Number</b>	<b>Institution Name</b>
<b>Reporting Period</b>	<b>Scale Factor</b>
	<b>Reporting Consolidation</b>

### Defined benefits measures

#### 1. Estimate of vested benefits

	<b>Vested benefits (1)</b>	<b>Net assets available for members' benefits (net of ORFR reserves) (2)</b>	<b>Index (3)</b>
1.1. Defined benefit interests			

### Member flows

#### 2. Contributions

	<b>Number of employer-sponsors (1)</b>	<b>Defined benefit contributions (2)</b>
2.1. Total employer-sponsors		
2.2. Employer-sponsors on a contribution holiday		
2.3. Employer-sponsors that did not pay the recommended contribution rate		
2.4. Employer-sponsors that did not pay certified minimum contributions at the recommended frequency		
2.5. Employer-sponsors that have contributions in arrears		
2.6. Employer-sponsors that have notified intent to cease contributions		

	<b>Participation of employer-sponsor limited</b>
2.7. Is participation of any employer-sponsor limited?	Yes
	No

#### 3. Benefit payments

##### 3.1. Benefit payments made

<b>Member accounts (1)</b>	<b>Benefit payment (2)</b>

3.2. Benefit payments made in accordance with actuarial recommendations?

Benefit payments according to actuarial recommendation
Yes
No
Not applicable

**4. Reserves**

4.1. Movements in reserves

Type of reserve (1)	Transfer into reserve (2)	<i>of which:</i> Earnings on reserve (3)	Transfer out of reserve (4)	<i>of which:</i> Loss on reserve (5)	Closing balance (6)
ORFR reserve					
Investment reserve					
Self insurance reserve					
Administration reserve					
Other reserve					

4.1.1. Details of other reserves

Description of other reserve (1)	Transfer into reserve (2)	<i>of which:</i> Earnings on reserve (3)	Transfer out of reserve (4)	<i>of which:</i> Loss on reserve (5)	Closing balance (6)

4.2. Total reserves

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# Reporting Form SRF 160.1

## Defined Benefit Member Flows

### Instructions

These instructions assist completion of *Reporting Form SRF 160.1 Defined Benefit Matters* (SRF 160.1). SRF 160.1 collects information on defined benefit matters including the flow of defined benefit interests. Information reported in SRF 160.1 is required primarily for prudential and publication purposes.

### Reporting level

SRF 160.1 must be completed for each defined benefit RSE and sub-fund.

For each defined benefit RSE, report information relating to defined benefit members not accounted for in a defined benefit sub-fund and defined benefit members in a sub-fund.

### Reporting basis and unit of measurement

Report all items on SRF 160.1 in accordance with the Australian Accounting Standards unless otherwise specified.

Items on SRF 160.1 must be reported as at the end of the reporting period or with respect to transactions that occurred during the reporting period. Report information with respect to transactions occurred during the reporting period on a year to date basis, rather than for the individual quarter alone.

Items on SRF 160.1 are to be reported as thousands of dollars, as whole numbers or percentages. Report percentages as a whole number to one decimal place, i.e. 10 per cent is to be reported as 10.0.

These instructions specify the reporting basis and unit of measurement that applies to each item.

### Specific instructions

Terms highlighted in *bold italics* indicate that the definition is provided in these instructions.

#### Estimate of vested benefits

Item 1 collects liabilities and net assets underlying the financial position of the defined benefit RSE or sub-fund, as appropriate.

**Reporting basis:** report item 1 as at the end of the reporting period.

**Unit of measurement:** report item 1 column 1 and item 1 column 2 as thousands of dollars; report item 1 column 3 as a percentage to one decimal place.

<b>Item 1</b>	Report <i>defined benefit interests</i> in item 1.1. Report an <i>estimate</i> of the <i>vested benefits</i> in relation to <i>defined benefit interests</i> of defined benefit members only in item 1 column 1 and <i>net assets available for members' benefits (net of ORFR reserves)</i> in relation to <i>defined benefit interests</i> in item 1 column 2.  Item 1 column 3 is a derived item. Report the vested benefit index in item 1 column 3 as <i>net assets available for member benefits (net of ORFR reserves)</i> reported in item 1 column 2 divided by the <i>vested benefits</i> reported in item 1 column 1.
<b>Estimate</b>	Represents an estimate of <i>vested benefits</i> , which may or may not have been prepared by the actuary of the RSE.
<b>Vested benefits</b>	Represents the benefit payable to a member of an RSE if the member voluntarily terminated service with their employer and/or withdrew membership from the RSE. Includes: allowances for any options the member could exercise where the option is consistent with the funding calculation. Reference: SIS Act, s. 83A.
<b>Defined benefit interests</b>	Represents a member interest that is a defined benefit interest or a defined benefit pension. Reference: SIS Regulations, r. 1.03AA, r. 9.04E.
<b>Net assets available for member benefits (net of ORFR reserves)</b>	Represents the surplus of total assets less total liabilities which are underlying the value of members' benefits, excluding the value of reserves held to meet the operational risk financial requirement. Reference: <i>Prudential Standard SPS 160 Defined Benefit Matters, Prudential Standard SPS 114 Operational Risk Financial Requirement.</i>

## Contributions

Item 2 collects contributions into the defined benefit RSE or sub-fund, as appropriate.

**Reporting basis:** report item 2 column 1 as at the end of the reporting period; report item 2 column 2 with respect to transactions that occurred during the reporting period.

**Unit of measurement:** report item 2 column 1 as a whole number; report item 2 column 2 in thousands of dollars.

<b>Item 2</b>	For item 2.1 and item 2.3 to item 2.5 inclusive, report the number of <i>employer-sponsors</i> in column 1 and the value of <i>defined benefit contributions</i> made by those employer sponsors in column 2. For item 2.2 and item 2.6 report the number of <i>employer-sponsors</i> in column 1.  Report total <i>employer-sponsors</i> in item 2.1.  Report <i>employer-sponsors on a contribution holiday</i> in item 2.2.  Report <i>employer-sponsors that did not pay the recommended</i>
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	<p><i>contribution rates</i> in item 2.3.</p> <p>Report <i>employer-sponsors that did not pay certified minimum contributions at the recommended frequency</i> in item 2.4.</p> <p>Report the <i>employer-sponsors</i> that have <i>contributions in arrears</i> in item 2.5.</p> <p>Report <i>employer-sponsors that have notified intent to cease contributions</i> in item 2.6.</p> <p>If the participation of any employer sponsor is limited, report ‘yes’ in item 2.7; otherwise, report ‘no’.</p>
<b><i>Employer-sponsor</i></b>	Represents an employer-sponsor within the meaning given in s. 16(1) of the SIS Act.
<b><i>Defined benefit contribution</i></b>	Represents contributions made in respect of a member interest that is a defined benefit interest. Reference: SIS Regulations, r. 1.03AA.
<b><i>Employer-sponsors on a contribution holiday</i></b>	Represents <i>employer-sponsors</i> that have temporarily ceased to make contributions in respect of defined benefit members. Includes: employers on both full and partial contribution holidays.
<b><i>Employer-sponsors that did not pay the recommended contribution rates</i></b>	Represents <i>employer-sponsors</i> that did not pay the actuary's recommended contribution rate and would not be classified as on a contribution holiday. Reference: SIS Regulations, r. 9.31(1)(c) and r. 9.32(b).
<b><i>Employer-sponsors that did not pay certified minimum contributions at the recommended frequency</i></b>	Represents <i>employer-sponsors</i> that did not pay at the actuary's recommended frequency of minimum contributions and would not be classified as on a contribution holiday. Reference: SIS Regulations, r. 9.08(4) and r. 9.10(1)(g).
<b><i>Contributions in arrears</i></b>	Represents the amount of contributions (as recommended by the actuary) expected to be received by the RSE but which were not received by the expected or agreed date. Includes: employer contributions.
<b><i>Employer-sponsors that have notified intent to cease contributions</i></b>	Represents <i>employer-sponsors</i> that have notified intent to cease contributions.
<b><i>Is participation of any employer-sponsor limited?</i></b>	Represents where there are limits under the trust deed or rules of the RSE that set a cap on the amount or rate at which an employer-sponsor is required to make contributions in certain circumstances.

## Benefit payments

Item 3 collects benefit payments to members of the defined benefit RSE or sub-fund, as appropriate.

**Reporting basis:** report item 3.1 column 1 as at the end of the reporting period; report item 3.1 column 2 with respect to transactions that occurred during the reporting period.

**Unit of measurement:** report item 3.1 column 1 as a whole number; report item 3.1 column 2 in thousands of dollars.

<b>Item 3</b>	<p>Report the number of <i>member accounts</i> from which a <i>benefit payment</i> has been made in item 3.1 column 1 and the value of <i>benefit payments</i> made in item 3.1 column 2. Report information on all <i>benefit payments</i> in item 3.1 column 2 including <i>defined contribution members' benefits</i> and <i>defined benefit members' benefits</i>.</p> <p>If some or all of the <i>benefit payments</i> reported in item 3.1 column 2 were made in accordance with actuarial recommendations, report 'yes' in item 3.2; if <i>benefit payments</i> were made otherwise than in accordance with actuarial recommendations, report 'no'; if no <i>benefit payments</i> were otherwise made, report 'not applicable'.</p>
<i>Member account</i>	Represents a distinct entry recorded in the register of member accounts (or other equivalent mechanism).
<i>Benefit payments</i>	Represents lump sum benefit payments and pension benefits paid directly to members. Includes: insurance claim benefits or proceeds first credited to members' accounts and subsequently disbursed along with members' benefits to the member or beneficiary. Excludes: rollovers and successor fund transfers. Reference: SIS Regulations, Divisions 6.2 and 6.3; <i>Superannuation Industry (Unclaimed Money and Lost Members) Act 1999</i> , Part 4A.
<i>Benefit payments made in accordance with actuarial recommendations</i>	Represents benefit payments paid to members in accordance with actuarial recommendations in a technical insolvency program as prescribed in the SIS Regulations. Reference: SIS Regulations, r. 9.19(4).
<i>Defined contribution members' benefits</i>	Represents the present obligation to pay benefits to defined contribution members and beneficiaries. Reference: Australian Accounting Standards.
<i>Defined benefit members' benefits</i>	Represents the present value of expected future benefit payments to defined benefit members and beneficiaries arising from membership, measured using actuarial assumptions and valuations where appropriate. The concept of defined benefit members' benefits aligns with the concept of 'defined benefit member liabilities' as defined in Australian Accounting Standards.

## Reserves

Item 4 collects reserves of the defined benefit sub-fund, as appropriate. For a defined benefit RSE, leave item 4 blank.

**Reporting basis:** report item 4 column 6 as at the end of the reporting period; report item 4 column 2 to column 5 inclusive with respect to transactions that occurred during the reporting period.

**Unit of measurement:** report item 4 column 2 to column 6 inclusive in thousands of dollars.

<p><b>Item 4</b></p>	<p>Report the type of reserve as <i>ORFR reserve, investment reserve, self-insurance reserve, administration reserve</i> or other <i>reserve</i> in item 4.1 column 1.</p> <p>For each type of reserve reported in item 4.1 column 1, report <i>transfer into reserve</i> in column 2, the portion of <i>transfer into reserve</i> that is <i>earnings on reserve</i> in column 3, <i>transfer out of reserve</i> in column 4, the portion of <i>transfer out of reserve</i> that is <i>loss on reserve</i> in column 5 and <i>closing balance</i> as equal to value held in the reserve at the end of the reporting period in column 6. Report details of other <i>reserves</i> on separate lines in item 4.1.1. Report the description of the reserve in column 1, <i>transfer into reserve</i> in column 2, the portion of <i>transfer into reserve</i> that is <i>earnings on reserve</i> in column 3, <i>transfer out of reserve</i> in column 4, the portion of <i>transfer out of reserve</i> that is <i>loss on reserve</i> in column 5 and closing balance as equal to the total value held in the reserve at the end of the reporting period in column 6.</p> <p>Item 4.2 is a derived item. Report the sum of the closing balance of all reserves reported in item 4.1 column 6 in item 4.2.</p> <p>Report <i>transfer into reserve</i> in column 1 and <i>transfer out of reserve</i> in column 2 as a positive. Report <i>transfer into reserve</i> in column 2 gross of <i>transfer out of reserve</i> reported in column 3. Report <i>transfer out of reserve</i> in column 3 gross of <i>transfer into reserve</i> reported in column 2.</p> <p>Report <i>earnings on reserve</i> in column 3 and <i>loss on reserve</i> in column 5 as a positive number.</p>
<p><i>ORFR reserve</i></p>	<p>Represents the reserve held within an RSE within the RSE licensee's business operations for the purposes of meeting the operational risk financial requirement. An ORFR reserve must be separately identifiable from <i>member accounts</i> and reserves held in the RSE for other purposes. Reference: <i>Prudential Standard SPS 114 Operational Risk Financial Requirement</i>.</p>
<p><i>Investment reserve</i></p>	<p>Represents the difference between the cumulative value of investment income (net of investment expenses) allocated to members' accounts compared to the cumulative investment income (net of investment expenses) earned. Includes: investment fees deducted from members accounts but not yet allocated for payment of investment related</p>

	expenses.
<b><i>Self-insurance reserve</i></b>	Represents a reserve designated by the RSE licensee as being for the purposes of funding self-insurance arrangements.
<b><i>Administrative reserve</i></b>	Represents a reserve comprising the difference between the cumulative value of administration fees charged to members' accounts but not yet allocated for payment of administration costs.
<b><i>Reserve</i></b>	Represents the portion of <b><i>net assets available for members' benefits</i></b> which is not total <b><i>liability for members' benefits</i></b> . Includes: reserves such as ORFR reserve, investment reserve and self-insurance reserve. Excludes: surplus/deficit in net assets, unallocated contributions that are not part of a formal reserve.
<b><i>Transfer into reserve</i></b>	Represents the total value transferred into a reserve resulting in an increase in the reserve.
<b><i>Transfer out of reserve</i></b>	Represents the total value transferred out of a reserve resulting in a decrease in the reserve.
<b><i>Earnings on reserve</i></b>	Represents the total value earned via investing the amount held in a reserve.
<b><i>Loss on reserve</i></b>	Represents the total value of loss via investing the amount held in a reserve.

## Interpretation

For the purposes of these instructions:

- ***defined benefit member*** has the meaning given in SPS 160;
- ***defined benefit RSE*** means an RSE that is a defined benefit fund within the meaning given in SPS 160;
- ***RSE*** means a registrable superannuation entity as defined in section 10(1) of the SIS Act;
- ***RSE licensee*** has the meaning given in section 10(1) of the SIS Act;
- ***SGA Act*** means the *Superannuation Guarantee (Administration) Act 1992*;
- ***SIS Act*** means *Superannuation Industry (Supervision) Act 1993*;
- ***SIS Regulations*** means *Superannuation Industry (Supervision) Regulations 1994*;
- ***SPS 160*** means *Prudential Standard SPS 160 Defined Benefit Matters*; and
- ***sub-fund*** means a defined benefit sub-fund within the meaning given in SPS 160.