



Regulation on the Auditing Actuary's Audit Report

(Prüfaktuar-Prüfberichtverordnung - *PaktPBV*)

Full title

Regulation of the Financial Market Authority (FMA) on the Minimum Structure and Contents of the Auditing Actuary's Audit Report pursuant to Article 21e para. 5 PKG (PAktPBV; Prüfaktuar-Prüfberichtverordnung)

Original version: Federal Law Gazette II No. 436/2013.

Amendment:

Federal Law Gazette II No. 334/2018.

Preamble/Promulgation clause

On the basis of Article 21 para. 8 of the *Pensionskassen Act* (PKG; Pensionskassengesetz), published in Federal Law Gazette No. 281/1990, most recently amended by Federal Act in Federal Law Gazette I No. 184/2013, the following shall be determined by Regulation:

Text

Note for the following provision

paras. 1 to 3 and 5: see also Article 11 para. 2 for the time frame for applicability

General provisions

Article 1 (1) The auditing actuary shall draw up a separate audit report pursuant to Article 21e para. 5 PKG for each investment and risk-sharing group (IRG). The audit report shall be structured as follows:

1. Chapter 1: Basis for the audit;
2. Chapter 2: Beneficiaries;
3. Chapter 3: Investment result;
4. Chapter 4: Premium reserve, volatility reserve;
5. Chapter 5: Technical result;
6. Chapter 6: Result of the investment and risk-sharing group;
7. Chapter 7: Summary and audit opinion.

(2) A breakdown in accordance with the 3rd Section of Annex 2 of the Regulation on Forms and Annual Reports 2019 (FJMV 2019; Formblatt- und Jahresmeldeverordnung 2019) published in Federal Law Gazette II no. 333/2018, must be attached to the audit report in accordance with para. 3.

(3) The items denoted by Roman numerals in Annex 2 to FJMV 2019 are to be broken down with the exception of the items A.I. and A.III. are to be broken down according to the listing below, with all items being broken down further into employer's and employees' shares:

1. Beneficiaries (entitled);
 - a) Recipients of contributions;
 - b) Non-contributing beneficiaries;
2. Beneficiaries (recipients);
 - a) Recipients of old-age pensions;
 - b) Recipients of invalidity pensions;
 - c) Recipients of widow's/widower's pensions;
 - d) Recipients of orphan's pensions.

(4) The breakdown of the items in the volatility reserve shall only occur to the extent where possible on the basis of the management of the volatility reserve (i.e. Individually or globally).



(5) The audit report pursuant to para. 1, the breakdown pursuant to para. 2 and the audit report pursuant to Article 10 para. 1 are to be submitted electronically to the FMA in PDF/A2 format in accordance with the standard ISO 19005-2-2011 issued by the International Organization for Standardization (ISO). The PDF documents should be submitted without any restricted functionality.

(6) The audit reports to be submitted annually in accordance with this Regulation shall not affect the auditing actuary obligation to also perform audit activities during the course of the year.

(7) Where the details required by this Regulation are not relevant to the IRG from the outset, due to the nature of the IRG, then these details may be omitted, with this circumstance being advised of accordingly.

Note for the following provision

No. 3: see Article 11 para. 2 for the time frame for applicability

Basis for the Audit

Article 2 Chapter 1 shall describe the audit assignment and the performing of the audit, and shall provide an overview of the structure of the IRG as well as specifying the material terms of the business plan. This specifically includes:

1. the type of audit;
2. the audit period;
3. the documentation used during the audit as defined in Article 21e para. 4 PKG as well as an overview of the audit methodology;
4. The group of persons for whom the IRG is intended;
5. The applicable section of the business plan for the IRG;
6. A brief actuarial classification (details as defined in Article 20 para. 2 nos. 1, 3 and 4 PKG);
7. Information as to whether it is a security-oriented IRG in accordance with Article 12a PKG;
8. Information as to whether commitments with switching options pursuant to Article 12 para. 7 no. 2 PKG are managed in this IRG;
9. A description of the switching options pursuant to Article 12 para. 7 no. 2 PKG.

Note for the following provision

Shall first apply to the audit report's report for the 2013 financial year (cf. Article 11)

Beneficiaries

Article 3 (1) Chapter 2 shall list in detail the changes in the numbers of the beneficiaries between the previous year's balance sheet date and the current balance sheet date. The changes in numbers of beneficiaries is to be presented at least according to the structure pursuant to **Annex 1**.

(2) Beneficiaries shall be broken down further as follows into:

1. Beneficiaries (entitled) with current payments of contributions;
2. Beneficiaries (entitled) with vested pension entitlements;
3. Old-age pensioners;
4. Invalidity pensioners;
5. Widows/widowers;
6. Orphans.

(3) Additions and withdrawals as well as transfers between the groups of persons pursuant to para. 2 shall be stated, with the following to be used to describe the original and current status in addition to the subcategories listed in para. 2:

1. Addition;
2. Transfer to (from) another investment and risk-sharing group;



3. Expiry of claim;
4. Withdrawal;
5. Death.

(4) Use being made of switching options pursuant to Article 12 para. 7 no. 2 PKG to another IRG or sub-IG is to be detailed according to the structure pursuant to **Annex 4**.

Note for the following provision

Shall first apply to the audit report's report for the 2013 financial year (cf. Article 11)

Information to the beneficiaries

Article 4 Chapter 2 shall also state the extent to which the drawing up of the annual information to the beneficiaries was reviewed in the preceding financial year. In this context, the following items in particular shall be considered:

1. Compliance with legal requirements;
2. Accuracy of information;
3. Verification of projections of future developments as well as the underlying assumptions on which they are based, especially whether at the time of their being reviewed they can be judged to have been both realistic and cautious;
4. Comprehensibility.

Note for the following provision

Shall first apply to the audit report's report for the 2013 financial year (cf. Article 11)

Investment result

Article 5 (1) Chapter 3 shall specify the details on the earnings situation of the assets allocated to the IRG that are required to assess continued compliance with benefit obligations. The auditing actuary may rely on the data already checked by the *Pensionskasse's* statutory auditor in the course of their audit of the financial statements.

(2) The calculation of the minimum yield pursuant to Article 2 paras. 2 and 3 PKG as well as any credit balance from the pension company assets shall be documented.

(3) Credit balances pursuant to Article 12a para. 1 nos. 2 and 4 PKG as well as any possible compounding pursuant to Article 12a para. 1 no. 3 PKG shall be documented.

(4) Commission fees pursuant to Article 16a para. 4b PKG as well as any related items in the balance sheet shall be explained.

(5) With regard to interest income pursuant to Article 48 PKG, the calculation basis pursuant to Article 48 PKG shall be stated along with changes in transfers, as well as the interest amount and the interest rate.

Note for the following provision

Shall first apply to the audit report's report for the 2013 financial year (cf. Article 11)

Premium Reserve, Volatility Reserve

Article 6 (1) Chapter 4 shall indicate changes in the premium reserve and the volatility reserve between the previous year's balance sheet date and the current balance sheet date, with the categories specified in Article 1 para. 3 being applied while taking account of the manner in which the volatility reserve is managed.

(2) Whether the calculation of the premium reserve is compliant with the business plan shall be reviewed and the result of the review presented. Where the review is performed on the basis of random samples, then the number of samples and method for selecting the samples shall be stated. The change in the premium reserve shall be stated at least according to the structure pursuant to **Annex 2**.

(3) The following items shall be explained with regard to the volatility reserve:



1. Target value of the volatility reserve;
2. Calculation of the average assets of the IRG as well as the apportionment of the allocated assets and the allocated average assets to the groups of beneficiaries (entitled and/or recipients);
3. Calculation of the assets relevant to the management of the volatility reserve pursuant to Article 24 para. 3 PKG;
4. Allocation pursuant to Article 24a para. 3 PKG as well as compliance with the criteria set forth in the Regulation of the Financial Market Authority (FMA) on the additional allocation to the volatility reserve (ZZV; Zusätzliche Zuweisung zur Schwankungsrückstellung), published in Federal Law Gazette II No. 453/2012;
5. Release pursuant to Article 24a para. 5 PKG;
6. Release pursuant to Article 24a para. 6 PKG;
7. Release pursuant to Article 24a para. 7 PKG, with this item having to be broken down into beneficiaries (entitled) and beneficiaries (recipients) in accordance with the management of the volatility reserve;
8. Releasing of the volatility reserve for vested benefits, lump-sum settlements or transfers pursuant to Article 5 para. 2 of the Company Pension Act (BPG; Betriebspensionsgesetz) as well as Articles 17 and 41 PKG, with these items having to be stated separately according to the source in each case;
9. Management of a negative volatility reserve pursuant to Article 24a para. 8 PKG;
10. Group of persons and the extent to which provisions are made use of defined in Article 49 para. 2 no. 4 PKG.

(4) The change in the volatility reserve shall be stated at least according to the structure pursuant to **Annex 3**.

Note for the following provision

Para. 3 nos. 4 to 6: see Article 11 para. 2 for the applicable period

Technical result

Article 7 (1) Chapter 5 shall state whether reinsurance exists. The main characteristics of the reinsurance are to be stated. The following information is to be stated:

1. The total risk premiums as specified in the business plan;
2. The total insurance premiums for invalidity pension entitlements;
3. The total insurance premiums for survivors' pension entitlements.

Furthermore, it should be stated whether the insurance requirements pursuant to Article 20 para. 1 PKG have been adequately taken into account.

(2) The technical account balance of the IRG shall be broken down into actuarial components and presented separately, and compliance of this figure with the business plan verified. If the technical account balance is divided into accounting groups, this shall be shown in detail.

(3) Furthermore, explanations shall be given regarding the following points:

1. correctness of the separate calculation of the technical account balance pursuant to Article 24 para. 5 PKG;
2. offsetting of employer contributions pursuant to Article 24 para. 6 PKG;
3. calculations of the vested amount carried out in the reporting year, as well as any related impact on the IRG's technical result;
4. whether the use of switching options pursuant to Article 12 para. 7 no. 2 PKG leads to selection effects, and their impact on the technical result;
5. whether the *Pensionskasse's* underwriting policy pursuant to Article 21e para. 3 no. 5 PKG is appropriate, where it has such a policy;
6. whether appropriate methodologies, base models and underlying assumptions from this purpose are used in calculating the technical provisions and whether the assumptions stand up to a comparison using empirical data.



Note for the following provision

Shall first apply to the audit report's report for the 2013 financial year (cf. Article 11)

Result of the investment and risk-sharing group

Article 8 (1) Chapter 6 shall provide an analysis of the use of the IRG's result and explain in detail the distribution of the result to the beneficiaries, unless this has already been done in previous chapters.

(2) Furthermore, explanations shall be given regarding the following points:

1. offsetting of credit balances with current contributions;
2. the obligation to and the extent as well as the deadline for additional employer contributions;
3. the existence of credit balances or reserves held by employers, as well as their development and rate of interest;
4. random sample checks to verify that the cost calculation for the determination of the transfer amounts as well as non-contributory pension entitlements tie in with the business plan or the *Pensionskasse* contract.

(3) It shall be stated whether changes would be necessary to the existing regulations for contributions and benefits.

Note for the following provision

paras. 2, 2a and 4: see Article 11 para. 2 for the applicable period

Summary and audit opinion

Article 9 (1) Chapter 7 shall provide an analysis of the IRG based on a summary of the audit results. Extraordinary events, which might occur following amendments to the law, shall be stated separately and explained in detail.

(2) The performance of the audit of the IRG as defined in Article 21e para. 3 PKG shall be confirmed. Any measures that are required shall be stated.

(2a) The reliability and appropriateness of the calculation of technical provisions is to be reported about.

(3) The bases of calculation pursuant to Article 20 para. 2 no. 3 PKG are to be assessed with regard to the appropriateness and any necessary changes to be stated accordingly.

(4) Facts or measures as defined in Article 21 para. 4 PKG shall be stated. When assessing the long-term safeguarding of claims, any potential risk derived from the principles of the investment policy shall also be taken into account.

(5) Compliance with the business plan and any obligations pursuant to Article 20 para. 4 PKG shall be described.

(6) If, following the final result of the actuarial audit, no objections are to be raised, the auditing auditor shall confirm this by issuing the following opinion: "The audits performed did not lead to any objections. As the result of my due audit, I can certify compliance with the statutory provisions and the business plan. From a current perspective, the interests of the beneficiaries are sufficiently safeguarded, and continued compliance with the obligations is guaranteed from an actuarial point of view."

(7) The audit report shall be personally signed.

Note for the following provision

Para. 2 no. 3a: see Article 11 para. 2 for the applicable period

Provision for administrative expenses

Article 10 (1) The auditing actuary shall verify compliance of the calculation of the provision according to the business plan for administrative expenses incurred after the beginning of retirement (provision for administrative expenses) with the provisions set forth in the Regulation on the Provision of Administrative Expenses 2013 (VKRStV 2013;



Verwaltungskostenrückstellungsverordnung), published in Federal Law Gazette II No. 381/2013, as well as with the *Pensionskasse's* approved business plan. The audit results shall be recorded in a separate audit report.

(2) The audit report pursuant para. 1 shall contain the following items:

1. The material points of the business plan regarding the management and calculation of the provision for administrative expenses;
2. Changes in the provision for administrative expenses during the financial year are to be presented in detail;
3. If the provision for administrative expenses pursuant to Article 3 para. 6 of Regulation on the Provision for Administrative Expenses 2013 (VKRStV 2013; Verwaltungskostenrückstellungsverordnung 2013), published in Federal Law Gazette II No. 381/2013, is managed, then the following is to be stated:
 - a) date on which the most recent control accounting was conducted,
 - b) date on which the next control accounting is intended to be conducted,
 - c) if a control accounting procedure was conducted during the financial year, then the methodology, the result and conclusions are to be stated;
- 3a. the explanation regarding the reliability and appropriateness of the calculation of the technical provisions;
4. Where under- or over-coverage pursuant to Article 2 para. 5 or Article 4 VKRStV 2013, published in Federal Law Gazette II no. 381/2013, then the original amount of the under- or over-coverage, the changes to date as well as obligations that still exist at the end of the financial year in question shall be stated;
5. if, following the final result of the actuarial audit, no objections are to be raised, then the auditing auditor shall confirm this by issuing the following opinion: "The audits performed did not lead to any objections. As the result of my due audit, I can certify compliance with the statutory provisions and the business plan. From a current perspective, the interests of the beneficiaries are sufficiently safeguarded.";
6. The personal signature of the auditing actuary.

Note for the following provision

See Article 11 para. 2 about the time frame for applicability

Entry into force and expiry

Article 11 (1) This Regulation shall enter into force on 1 January 2014 and shall be applied for the first time to the audit report on the 2013 financial year; at the same time, the Regulation of the Financial Market Authority (FMA) on Minimum Structure and Contents of the Auditing Actuary's Audit Report pursuant to Article 21 para. 8 PKG (Regulation on the Auditing Actuary's Audit Report – Prüfaktuar-Prüfberichtverordnung), published in Federal Law Gazette II No. 418/2005, shall expire at the end of 31 December 2013.

(2) The title, Article 1 paras. 1 to 3 and 5, Article 2 no. 3, Article 7 para. 3 nos. 4 to 6, Article 9 paras. 2, 2a and 4, Article 10 para. 2 no. 3a and Article 11 in the version of the Regulation amended in Federal Law Gazette II No. 334/2018 shall enter into force on 1 January 2019 and shall apply for the first time to the audit report pursuant to Article 1 para. 1, the breakdown pursuant to Article 1 para. 2 and the audit report pursuant to Article 10 para. 1 for the 2019 financial year.



Annex 1

Pensionskasse

Change in Number of Beneficiaries (Entitled and Recipients)

IRG

(Information about number of persons)

	Ben. ent. curr. contrib.	Ben. ent. vested	Ben. ent. Total	OAP	IP	Widow	Orph	Recip. Total	DEATH	Withdrawal with entit.	Withdrawal without entit.	Transfer	Values prev. yr
Addition													
Ben. ent. - curr. contrib.													
Ben. ent. - vested													
Beneficiaries (entitled)													
OAP													
IP													
Widow													
Orph													
Beneficiaries (recipients)													
DEATH													
Withdrawal with entit.													
Withdrawal without entit.													
Transfer													
Values curr. yr													

All English translation of the authentic German text is unofficial and serves merely information purposes. The official wording in German can be found in the Austrian Federal Law Gazette (Bundesgesetzblatt; BGBl.). All translations have been prepared with great care, but linguistic compromises had to be made. The reader should also bear in mind that some provisions of these laws will remain unclear without certain background knowledge of the Austrian legal and political system. Please note that these laws may be amended in the future and check occasionally for updates.



Annex 2

Pensionskasse
IRGVRG

Development of the Premium Reserve
(Information in EURO)

	Beneficiaries (entitled)			Beneficiaries (recipients)			Beneficiaries
	Employer	Employees	Total	Employer	Employees	Total	Total
Amount at 01.01							
+ Appropriation							
+ Savings contributions - ongoing							
+ Savings contributions - one-off							
Negative risk contribs.							
Survival risk premium							
Technical interest							
Total							
- Released							
Pension payments							
Vested amounts and settlements							
Expired claims							
Deaths							
Due to transfer pursuant to Art. 5							
Due to transfer pursuant to Art. 17							
Due to transfer pursuant to Art. 41							
Total							
Transfers							
Ben. Ent. --> Recip.							
Total							
As at 31.12. prior to appropriation of net income							
Appropriation of net income							
Allocation into the premium reserve							
Removal from the premium reserve							
Employer's credit balance							
Employer's obl. to make add. contrib.							
Total							
As at 31.12. following appropriation of net income							



Pensionskasse

Development of the Volatility Reserve

IRG

(Information in EURO)

		Beneficiaries (entitled)	Beneficiaries (recipients)	Total
Amount at 01.01				
+ Appropriation				
	Transfer			
	Art. 24a para. 2 PKG			
	Art. 24a para. 3 PKG			
	Art. 24a para. 4 PKG			
	Total			
- Released				
	Art. 24a para. 2 PKG			
	Art. 24a para. 4 PKG			
	Art. 24a para. 5 PKG			
	Art. 24a para. 6 PKG			
	Art. 24a para. 7 PKG			
	Total			
Transfers				
	Ben. Ent. --> Recip.			
	Total			
As at 31.12. following appropriation of net income				



Annex 4

Use of switching options pursuant to Article 12 para. 7 no. 2 PKG

(Information about the number of persons and in EURO)

Pensionskasse

IRG

Additions		Total	IRG (Sub-IG)	IRG (Sub-IG)	IRG (Sub-IG)	IRG (Sub-IG)	IRG (Sub-IG)
Ben. ent.	No. of persons:						
	Premium reserve:						
	Shortfall:						
	Volatility reserve;						
Recip.	No. of persons:						
	Premium reserve:						
	Shortfall:						
	Volatility reserve;						

Disposals		Total	IRG (Sub-IG)	IRG (Sub-IG)	IRG (Sub-IG)	IRG (Sub-IG)	IRG (Sub-IG)
Ben. ent.	No. of persons:						
	Premium reserve:						
	Shortfall:						
	Volatility reserve;						
Recip.	No. of persons:						
	Premium reserve:						
	Shortfall:						
	Volatility reserve;						