

**FSS - Pass Through Arrangement - New contracts/admissions**

**Commencement**

Contract Awarded

Do you wish to have a pass through arrangement?

Note: if not confirmed within one month of contract date then automatically default to pass through

Yes

No

Is the pass through in service contract?

Yes

No/ not confirmed

Pass through wording excluded from Admission Agreement (Fund will need confirmation with excerpt from contract)

Pass through in Admission Agreement

**Ongoing**

- All assets and liabilities remain with (or transfer to) the guarantor employer.
- Employer rate (FSR) based on guarantor employer's primary rate as set out in latest R&A certificate
- No requirement for contractor to include assets and liabilities in their IAS19/FRS102 report. Liabilities aggregated with guarantor employer.

- Individual employer rate will be calculated based on membership profile
- Fully funded (usually at outset)
  - Liabilities transferred across matches
  - notional assets

Member experience incorporated in overall assessment of guarantor employer at subsequent valuations

**Exit**

- No exit debt/credit payment
- All assets and liabilities remain with the guarantor employer

- Exit calculation on 'least risk' basis
- For employers with a guarantor only, no exit debt/credit payable unless in surplus on 'least risk' basis