

## **TERMS OF REFERENCE FOR THE PROVISION OF CONSULTANCY ON THE CHANGE FROM A DEFINED BENEFIT SCHEME TO A DEFINED CONTRIBUTION PENSION SCHEME**

### **1. Background**

The Peoples Own Savings Bank (POSB) is currently part of the Communications Allied Industries Pension Fund (CAIPF) which is a Defined Benefit pension fund for its employees. In line with the evolving best practices and to ensure the long-term sustainability of the pension scheme, POSB has decided to transition from a Defined Benefit pension scheme to a Defined Contribution scheme.

### **2. Objective**

The primary objective of this consultancy service is to provide expertise, guidance and support to POSB in transitioning its pension scheme from Defined Benefit structure to a Defined Contribution arrangement. The consultant will assist in designing the modalities of the transition and ensuring a smooth and successful implementation process.

### **3. Scope of Work**

- Conduct a comprehensive review of the current Defined Benefit pension scheme operated by CAIPF.
- Analyze the implications of transitioning to a Defined Contribution scheme for both the organization and its employees.
- Develop a detailed transition plan outlining key milestones, activities, and timelines for the implementation of the new scheme.
- Provide recommendations on the design of the defined contribution or hybrid scheme, including contribution rates and governance structure.
- Assess the legal and regulatory requirements associated with the transition and ensure compliance with relevant laws and guidelines.
- Conduct stakeholder consultations with employees, management, unions and relevant authorities to gather input and address concerns.
- Development communication strategies to effectively communicate the changes to employees and facilitate a smooth transition process.

### **4. Deliverables**

The consultancy services are expected to be completed within 6 weeks from the commencement date.

### **5. Qualifications**

- The consultant should possess the expertise in pension fund management, financial services and regulatory compliance.

- Previous experience in in transitioning pension schemes from Defined Benefit to Defined Contribution scheme.
- Be registered with the Insurance and Pension Commission (IPEC)