



December 2016

Funeral Plans TAS – comparison with revised TASs

The following table compares the scope and requirements in the original Funeral Plans TAS with the scope, principles and provisions of TAS 400: Funeral plan trusts and where relevant TAS 100. In this analysis, we have only considered text which appears in boxes in the Funeral Plans TAS. This table is intended to support the transition to the revised TASs. Practitioners should not solely rely on this document when complying with the revised TASs.

Current Funeral Plans TAS text		Corresponding TAS 400/TAS 100 text	
C.1.2	This standard shall apply to all Reserved Work concerning funeral plan trusts.	Scope	TAS 400 applies only to specified work.
C.1.5	This standard shall apply to actuarial work concerning the determination, calculation and verification of the assets and liabilities of a funeral plan trust.	Scope	Determination, calculation and verification of assets and liabilities Technical actuarial work concerning the determination, calculation and verification of the assets and liabilities of a funeral plan trust required by legislation or the rules of the Funeral Planning Authority.
C.2.2	Judgements concerning the application of this standard shall be exercised in a reasoned and justifiable manner.	TAS 100 Principle 1	Judgement shall be exercised in a reasoned and justifiable manner; material judgements shall be communicated to users so that they are able to make informed decisions understanding the matters relevant to the actuarial information.
C.4.1	All documentation required by this standard shall: a) contain enough detail for a technically competent person with no previous knowledge of the particular exercise for which the data is being used to understand the matters involved and assess the judgements made; b) include a statement of the purpose of the documentation; and c) be clear, unambiguous and complete for that purpose.	TAS 100 Principle 6	Documentation shall contain enough detail for a technically competent person with no previous knowledge of the actuarial work to understand the matters involved and assess the judgements made.
D.2.2	Assumptions used in, or proposed for use in, models shall be appropriate for the purpose of the calculations for which they are used.	TAS 100 Principle 3	Assumptions used, or proposed for use, in technical actuarial work shall be appropriate for the purpose of that work so that users can rely on the resulting actuarial information.
D.2.3	Assumptions used in, or proposed for use in, models shall be derived from as much relevant information as is sufficient or, if there is insufficient relevant information, as is available.	TAS 100 Provision 3.1	Unless set by the user, a third party or by regulation, assumptions used in technical actuarial work, shall be consistent with each other and shall be derived from as much relevant information as is sufficient or, if there is insufficient relevant information, as is available.
D.2.8	No adjustment shall be made to any assumption used in, or proposed for use	Not in revised TASs.	

	in, a model to compensate for a shortcoming in another unrelated assumption.		
D.2.9	<p>For work which includes the determination of present values of cash flows, aggregate reports shall explain:</p> <p>a) the nature and characteristics of the cash flows being discounted;</p> <p>b) the derivation of the discount rates;</p> <p>c) the rationale for the inclusion of and the derivation of any illiquidity premium included in the discount rates; and</p> <p>d) the implications of adopting the discount rates.</p>	TAS 400 Provision 1	Communications shall explain the derivation of the discount rate, mortality (base rates and projections), funeral cost inflation, expense, tax and other material assumptions.
D.2.13	If mortality assumptions are used in, or proposed for use in, an exercise there shall be separate assumptions for base rates of mortality and subsequent changes to mortality rates.	Covered by TAS 400 Provision 1	Communications shall explain the derivation of the discount rate, mortality (base rates and projections), funeral cost inflation, expense, tax and other material assumptions.
D.2.14	Assumptions for base rates of mortality used in, or proposed for use in, an exercise shall reflect the current plan holders of the funeral plan trust.	TAS 400 Provision 2	Assumptions for base rates of mortality shall reflect the current plan holders of the funeral plan trust.
D.3.1	Aggregate reports shall explain any changes in the measures, methods or assumptions between two similar and related exercises and quantify the overall effect on results.	TAS 100 Provision 3.4 TAS 400 Provision 4	<p>Communications shall include a comparison of the assumptions with those used in the previous exercise carried out for the same purpose (if one exists) with an explanation of any differences, and description of any change in the rationale underlying the assumptions used.</p> <p>Communications shall explain any changes in the measures, methods or assumptions since the previous exercise carried out for the same purpose (if one exists) and quantify the overall effect on the results.</p>
D.4.1	<p>Aggregate reports which include an estimate of the value of the liabilities of a funeral plan trust shall explain:</p> <p>a) how adverse risks to and uncertainty in the liability cash flows have been taken into account in the estimate</p> <p>b) how the estimate allows for any discretionary increments to the amounts payable from the funeral plan trust.</p>	TAS 400 Provision 6 TAS 400 Provision 8	<p>Communications shall explain how risks to, and uncertainty in, the liability cash flows have been taken into account in the estimate of the liabilities of the funeral plan trust.</p> <p>Communications shall explain any allowance for discretionary elements in the amounts payable from the funeral plan trust in the estimate of the liabilities of the funeral plan trust and how the allowance has changed since</p>

			the previous exercise carried out for the same purpose (if one exists).
D.4.2	<p>Aggregate reports which include an estimate of the value of the liabilities of a funeral plan trust which is not a neutral estimate shall include:</p> <p>a) a neutral estimate of the value of those liabilities; and</p> <p>b) an explanation of the change to the relationship between the estimate and the neutral estimate from the previous similar and related exercise, if any.</p>	TAS 400 Provision 7	Communications which include an estimate of the value of the liabilities of the funeral plan trust which is not a best estimate shall include a best estimate of the value of those liabilities; and an explanation of the change to the relationship between the estimate and the best estimate from the previous similar and related exercise, if any.
D.4.3	<p>Aggregate reports which include an estimate of the value of the liabilities of a funeral plan trust shall:</p> <p>a) quantify the liability cash flows expected to arise in each of the first ten years following the effective date of the estimate;</p> <p>b) explain how the estimate is derived from the liability cash flows.</p>	<p>TAS 400 Provision 9</p> <p>TAS 400 Provision 10</p>	<p>Communications shall quantify the liability cash flows expected to arise in each 12 month period following the effective date of the estimate of the liabilities of the funeral plan trust for an appropriate number of years with an explanation of why the number of years chosen is appropriate.</p> <p>Communications shall explain how the estimate of the liabilities of a funeral plan trust is derived from the liability cash flows.</p>
D.4.5	<p>Aggregate reports which include an estimate of the value of the assets of a funeral plan trust shall include:</p> <p>a) an explanation of and a rationale for the measures used to quantify the value of the assets;</p> <p>b) if the measures used are not fair value measures, an estimate of the fair value of the assets.</p>	TAS 400 Provision 11	Communications shall include an explanation of and a rationale for the measures used to quantify the value of the assets; and if the measures used are not fair value measures, an estimate of the fair value of the assets.
D.4.6	Aggregate reports which include an estimate of the value of the assets or of the liabilities of a funeral plan trust shall indicate the effect of uncertainty by considering the impact of adverse scenarios.	Covered by TAS 400 Provision 12	<p>Communications shall include sufficient actuarial information to enable users to understand the sensitivity of the current financial position and the potential future development of the financial position of the funeral plan trust to:</p> <p>(a) risks arising from closure of the funeral plan trust to new business;</p> <p>(b) risks arising from differences between the nature, term and characteristics of the liability cash flows and the nature, term and characteristics of the cash flows from the assets of the funeral plan trust; and</p>

			(c) all other material risks.
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