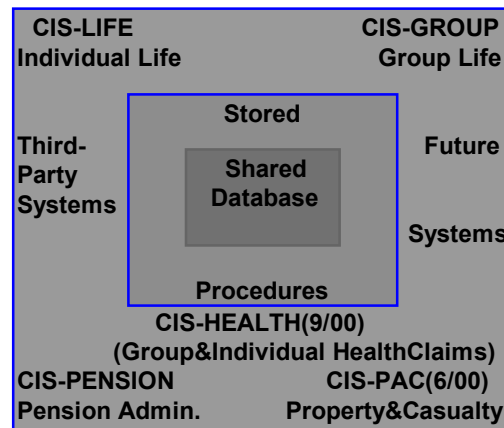




**CIS-PENSION** is a Group Pension administration product developed for institutions that administer Group Pensions for clients, or for larger employers who administer their own pension funds. A member of the **CIS Family** of application software products, **CIS-PENSION** will run as an integrated module of the family, sharing client and other common database entities, or it can be implemented to run completely on its own. Developed around a modern relational database design, it is very flexible, allowing users to establish their own processing rules, rates and validation criteria. The use of the ORACLE RDBMS allows one other important facility - the system can be scaled to fit your size, and will run on a variety of computer platforms.



All aspects of a Pension Fund life cycle are covered in the design, from enrolment to payment of proceeds at retirement or termination. Throughout the processing modules there are helpful features such as look up tables, alphabetic and other searches, and where information may need to be entered, liberal use of look up screens allows the fast entry of valid data.

### Benefits

- ◆ Central Customer file shared by other **CIS** systems allowing you to easily view all business relationships with your customers
- ◆ Screen cascades support all multiple-entry type edits or transactions where all the relevant screens are automatically presented in the correct order to the user. This eliminates the possibility of error, and speeds up entry rates.
- ◆ Defined Benefit as well as Money Purchase type products supported seamlessly
- ◆ Multiple Pension schemes can be set up for companies, but with a central billing across all schemes
- ◆ For large schemes it is possible to import member information.



## Features

### ENROLMENT

- ◆ For a new scheme all appropriate screens cascade automatically thereby ensuring that all relevant information is captured
- ◆ A Company may carry multiple Schemes
- ◆ A large number of scheme-specific data items being requested by the system, including whether the Pension Fund is Guaranteed Benefit or Money Purchase (Guaranteed Contribution); the Funds or Investment instruments that are permitted and the split; Vesting rules; Retirement rules, Annuity tables to be used, etc.
- ◆ Individuals are enrolled, along with their salary details, and if permitted by the Scheme, the individuals may elect investment splits different to that of the Scheme.
- ◆ Pension booklet labels are printed as individuals complete waiting periods.
- ◆ Individuals are added to the Salary deduction List Bill as they satisfy eligibility rules.

### PENSION ACCOUNTS

- ◆ The Scheme specifies the default split of funds received; though it is possible to allow a member to receive a different investment split.
- ◆ An unlimited number of splits are allowed on incoming pension contributions.
- ◆ Contributions can be directed to either interest-earning Fund Accounts, or to unitised investments, and the system will split out contributions into four sub-totals: Employee Basic, Employee additional, Company Basic and Company additional.
- ◆ The processing rules for all fund accounts are specified by the user at the time of the Scheme set up. These rules can be changed by the company, and all rule changes are retained along with the dates they were in effect.
- ◆ Interest and Expenses are automatically calculated as due. They are user-maintained and may change over time.
- ◆ Buy and Sell prices are maintained for each unitised investment type, enabling instant fund valuation.
- ◆ For quoted investments, whenever there are Declarations of cash or Stock Dividends or Stock Splits, the system will recognise the effective date of these declarations and will allocate the total over the individual Pension Accounts holding those investments at that time.
- ◆ The system also allows a Scheme to change its investment mix and to reinvest when a switch is requested.
- ◆ Where companies do not provide details of payments down to the employee level, the system will accept payments in the company level and allow for details to be broken out a year end when the company provides the employee split.



## CLIENT

- ◆ A Client table is centrally maintained where each individual or institution is entered once and linked through relationships to Pension and other accounts.
- ◆ Many screens carry a drop-down alphabetic search window with full or partial name search where only the name of a client is known, and this can quickly find Pension accounts.
- ◆ Enquiry options allow member level details to be easily accessed, including transaction history.

## INSURANCE

Optional Life insurance benefits can be bundled with a scheme.

## PENSION PAYMENTS

Notification is provided for members approaching retirement age as specified for the Scheme, and a printout produced showing the options available to the Annuitant and the value of each. When a choice is made as to the type of annuity that is to be used in the pay out, the system will set up the pay out instructions and will automatically make payments as called for, and will account for the transactions made. Where early or late retirement is requested, the system can also handle, within Scheme rules, the pay out. Outside of Scheme rules, a fixed amount of pay out can be established by the user. Third party Payees are acceptable, as are payment splits to multiple Payees. The system will be able to withhold and remit any tax that is due on payments.

## TRANSACTIONS

Upon billing a Scheme, the batch totals and details records are retained. When payment is received, the details records are changed to reflect terminations, new members, changes of contribution, etc, and create Payment records. When the payment details reconcile to the payment from the Scheme company, the payments are released to update Pension accounts, to have any expense charges taken and to create Debit/Credit balanced Accounting History records representing the actual application of individual payments. At the end of the day, or at some other appropriate point in time, all 'open' accounting history records are summarised and a summary of the transactions for the period is created. These are stored in a General Ledger transaction summary table which can be interfaced to an existing General Ledger system. Accounting Detail records are date stamped as summarised so that there is no danger of their being duplicated. The Accounts department has some ability to change posting periods at a transaction level, in the event that a backdated transaction appears in a posting period that has been closed.



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## **BILLING AND THE OPERATION OF PENSION ACCOUNTS**

- ◆ The system will List Bill and will retain the details for reconciliation at the appropriate times.
- ◆ Any follow up reports are made from this and when payment is received it is reconciled.
- ◆ It is possible to accept a batch from an Employer via magnetic media or electronically.
- ◆ The Billing provides up to four contribution fields (Employee and Employer Basic and additional contributions) and will automatically recognise if a member starts making extra contributions and will request a change for future billing.
- ◆ The typical contribution is expressed at the Scheme level as a percentage of salary, so as salaries are adjusted by the Employer, these will be either advised directly, or failing that, will be detected in the receipts from the Employer.

Once Payment batches are balanced, they are released for update, and the following is done:

- ◆ Any Management expenses that are to be levied on contributions are taken by the system.
- ◆ Management expenses may either be taken from the contribution or billed directly to the Company.
- ◆ Expenses may be banded or tiered.
- ◆ The Investment Rules for the Scheme/ Employee are accessed and the net contribution is split up into the Funds specified.
- ◆ Money funds are credited to the specified interest earning Pension Accounts.
- ◆ Those portions of contributions that are to be used to purchase unitised investments are used to purchase the number of fractional units that are possible at the quoted prices.
- ◆ Unit-owning Pension Accounts carry the total number of Units of the Type owned, which is translated into the money value using the appropriate selling price.
- ◆ Automatic, periodic batch runs process Interest and any expense charges against the Pension Accounts - optionally these expenses may be billed direct to the Company.
- ◆ For Unit owning accounts, fractional numbers of units may be sold if there is no cash fund available to pay expenses.
- ◆ A history of Interest Rates is maintained.
- ◆ Expenses are Account-type specific, allowing different levels of expense charges to be applied on different types of accounts.
- ◆ There may be multiple expense types available, due at specific frequencies, and they can be amount or percentage based and can be tiered or banded depending on amount of fund balance for the scheme.



## TERMINATIONS

Where a member leaves the employment in the Scheme and a request is received to pay out that employee's contribution, Vesting rules are first checked to see if this is permissible, and if so, a further check is done to see if a guaranteed interest rate was requested for terminations in the Scheme. If so, that rate of interest will have been applied to all payments by that employee and held for each member as a total employment to date. The pay out is made by 'surrendering' all funds held in that employee's name and adjusting the net proceeds to make the guaranteed pay out. Any Surrender Charges are applied and a check produced to the Scheme owner. In the event that the employee moves to another Scheme, the fund may be transferred to the new Scheme and all appropriate accounting done. Acceptance of other pension funds from outside the system for an individual may be rolled into a scheme.

## REPORTS

A number of reports are produced in the system, and through ad-hoc reporting software, the user can produce other reports as needed. Here are some of the reports produced:

- Annual returns to Schemes and Members showing the pension account balances and all transactions for the scheme year.
- Salary change lists to be sent to Employers to notify changes.
- Pension Account balances for Individuals, Schemes and for all schemes.
- Members approaching normal retirement age or late retirement age.
- Options of pensions payable for retirees.
- Outstanding contributions from companies.
- Daily transactions and audit lists.
- Summary of General Ledger transactions.
- Commissions Statements
- List Bills

## CORRESPONDENCE

There is a full Correspondence System overlaying the Pension System where all incoming service requests and outgoing responses, letters to Pensioners, Employers and Service Providers are generated and retained in the database adjacent to the recipient, so that it can be viewed by users. The tables that support the correspondence includes reference tables where users enter the text of various message or letter types, and these are set up so that the system can merge in the name and address and any variable information requested (say an account balance). There is an automatic follow up feature covering up to three follow up letters, and there is some flexibility for users to add additional text or values on individual letters.



C I S S O F T W A R E



## **AGENCY**

The Agency system used in the CIS-LIFE Individual Life system is fully available to the Pension Administration system, and this enables any agents to be set up for commissions payments and for purposes of servicing the account.

## **HISTORY**

The system retains a complete history of all financial transaction and of movement of members and schemes (Issues, Terminations). On financial transactions the system retains and makes available on inquiry the transaction as well as the distribution of the proceeds. An example is of a contribution, where the description, gross amount and date are retained for the transaction, while tied to it are the front end management fee deducted, the credits to the various fund accounts selected for the scheme (the Company and Employee portions are retained separately).

Many changes to data that are not transaction-driven are also retained in the system and are available to the user. Included here are changes to reference tables, such as interest rates, where the start and end dates are stamped onto the record and a new record started for the new rate. Also, changes to information such as related persons (beneficiaries, agents, assignees, etc.) are date stamped and retained.

All edits have the before and after images of the change written to an audit table, which is printed out for daily review. All edits and transaction driven changes attach the user and the time of the change.

There is a two-stage archive. In the first instance, the user may elect to move transaction history from the active history tables, usually to remove the overhead of the indexes and to improve response times, to an inactive but still on-line transaction history table. After a number of years records may be removed onto some external.

## **PLATFORM**

The application is developed for deployment on an Oracle RDBMS that is implemented in a Client/Server network with Windows 2000 Server or Windows NT operating system resident on the server, and Windows XP or Windows 2000 or Windows 98 as the resident operating system on the Client PCs.