Institute of Actuaries of India

Subject SA4: Pension & Other Employee Benefits

April 2016 Examination

INDICATIVE SOLUTION

Introduction

The indicative solution has been written by the paper setters with the aim of helping markers of scripts so as to have a framework and be consistent while evaluating answers. The solutions given are only indicative. It is realized that there could be other points as valid answers and the marker may give credit for any such alternative approach or interpretation which the marker considers to be appropriate.

Solution 1:

i) Considerations in designing an occupational retirement pension scheme:

In designing a scheme, consideration needs to be given to

- the objectives of the sponsor (e.g. cost and risk constraints),
- the needs of recipients (e.g. the events that may give rise to a benefit, and the form of those benefits),
- regulations and
- the environment in which the scheme is being operated

[2]

ii) Aspects that need to be considered for cost implications for a retirement pension scheme with an example for each consideration:

Benefits are just one part of an employee's remuneration. A key objective will usually be to provide benefits that are attractive to employees, and potential employees, at an acceptable level and certainty of cost to the employer.

Direct cost considerations will include

a. Tax concessions available – for example under a corporate NPS scheme, the contributions payable will be treated as an allowable business expense. Also up to 10% of Basic salary without any ceiling is tax exempt in the hands of the employee.

b. The costs associated with administration – for instance, in the case of management of an employee provident fund scheme, the company would typically compare the administration fee payable to the Regional Provident Fund office and managing it on their own as a trust.

c. However, consideration is often given to wider costs (or cost savings) relating to industrial relations and the support which they provide for employment policies, for example to cope with and ease difficult situations such as a planned reduction in workforce or an early retirement programme. Companies may also provide more than one pension arrangement so that benefits and costs may differ for groups of employees within the same company. This would help them manage costs

d. Other cost considerations could be legal and regulatory implications – if there is surplus in a defined benefit pension scheme, the company would evaluate the legal implications of providing pension increases in terms of setting a precedence and expectation thereby creating a contractual liability.

[5]

iii) An approach note for conducting the harmonization setting out the;

a) Key considerations:

The government of India mandates that employers provide certain retirement benefits to their employees

- Employee Provident Fund (EPF), a defined contribution (DC) plan
- Employee Pension Scheme (EPS), a defined benefit (DB) plan (sub-plan of EPF) subject to conditions
- Gratuity Scheme as per PG ACT (The payment of Gratuity Act, 1972), a DB plan

The other voluntary pension benefits that employers can provide or facilitate are Superannuation scheme

- National Pension Scheme

Post-Retirement Medical benefit scheme etc...
The Company has five legal entities in India

- Two entities provide the gratuity benefit as per Payment of Gratuity Act, 1972 (PG Act)
- The other three have a comparatively generous benefit.

The Group wants to harmonise Gratuity benefit for all Indian (group) entities to ensure:
Risk and Cost Reduction through limiting employer liability as per legal framework – this reflects the group's global strategy

- Consistent employee experience
- Seamless mobility across entities
- Reduced administration and simplify to facilitate robust governance

The focus is on Gratuity benefit for the three entities since the other entities follow the statute as per the Payment of Gratuity Act.
The key considerations for the harmonization would be
Market benchmarking – It is the key that the harmonized benefits are on par with the market as otherwise, employees would be unhappy with the benefits and there could be associated costs arising due to higher attrition, poor engagement etc.. There could also be potential attrition challenges as well.
The demographic profile of different legal entities in the group - As Gratuity is an important component of retirement planning, members closer to retirement or above a particular age/ tenure may not like any reduction in the Gratuity benefit
Legal Aspects/Opinion - Employee consent may be required for the change in benefit depending upon offer letter and ongoing employee communication
Trust Deed and Rules should also be reviewed in order to assess whether implementing changes would be challenging in terms of IT Approval
Cost implications – The eventual cost savings in terms of materiality should be worthwhile in making any changes in terms of the harmonized structure subject to the above considerations

[7]

b) Data/ further inputs required:

For the purpose of the review of harmonization feasibility, the following additional data / inputs would be required from the Company:
To understand the current provisions and also assess any potential limitations for change

1. A copy of the trust deed and rules for the Gratuity trust pertaining to the five legal entities
2. Employee offer letter samples and other employee communication in the matter (employee hand book etc...)
3. Legal opinion highlighting any potential limitations for reduction in benefit from existing level
4. Latest employee data to assess the demographic profile of the different legal entities in terms of the age, service and grade spread

Also the following additional inputs pertaining to the below aspects would be helpful

1. The market practice on retiral benefits as a whole (if the company does have that information for its peer group, it would be really helpful to have those data points),
2. Any previous approach taken for similar benefit harmonization in the past (for example other benefits like insurance, leave etc... – the principles used could be useful as a reference),
3. The company's philosophy on compensation (at market median for example)

[5]

c) Approach for review, harmonization:

In terms of the approach for review, I would recommend the following steps:

- While the group's inputs on market practice would be a good reference, a comprehensive assessment of the market benchmark for the competitor group as recommended by the CHRO would be an important first step in the review. It would also be important to focus on the overall retirement benefits (including Superannuation, NPS) provided by the industries identified that represent a source of talent for the different businesses in the group such that the harmonization recommendation can be holistic
- Once we collate such market data, would recommend that a discussion is conducted with the India HR and relevant regional/ global HR stakeholders, for inputs on possible options aligned to the group's philosophy and positioning keeping in mind the market practice. Besides it would be good to understand possible challenges in implementation including change management and communication
- Based on the above outcomes and in consideration of the data inputs as requested (demographic profile, legal opinion etc...), a few alternative scenarios could be considered for discussion along with high level commentary on pros and cons. This would help to take a decision on scenarios to evaluate further
- A management report covering the financial implications of revising the gratuity plan provision from entity perspective as well as the employees' perspective for the agreed

scenarios along with implementation aspects can be presented for a further discussion and closure

- The above process would tend to be iterative and we could allow for such iterations to ensure that the harmonization is done in an effective manner and can meet the objectives as set out for the purpose of this exercise

[6]

d) **Suggestions for the potential common plan with pros and cons along with commentary on high level financial and other implications**:

Considering the group's objectives for this exercise, I would propose the below three alternative scenarios along with suitable commentary for discussion:

<u>Scenario one</u>:

Protect benefits for all existing employees in the three entities that provide benefits better than the Act and harmonise the benefit at Act level for all new entrants across all the entities after a particular cutoff date

Pros:

- Very simple and easy to make the change
- Existing employees would be happy that their benefits would be protected at the current level
- This will ensure some cost savings in the future for the group as the benefit will accrue based on PG Act for new entrants rather than the company scheme which is comparatively more generous in three entities
- Movement across entities shall be smoother in future and employee experience shall be consistent across all other entities going forward since other entities provide benefit based on PG Act

Cons:

- If the benefit as per Act is only applicable to new entrants and all other employees are on the legacy benefits
  - o This may lead to dissatisfaction among new entrants. However if communicated and positioned well, this may not be a significant concern.
  - o If the Company needs to run two schemes in parallel, there would be additional administrative effort
- The immediate cost savings would be minimal as there is no reduction in existing benefits
- The time and effort to be spent in making the change may not seem immediately worthwhile though savings would come through a couple of years into the future

<u>Scenario two</u>:

Protect benefits only for existing employees in the three entities above a particular age and tenure (for example 50 years and 25 years of service) or age (for example 50 years) or tenure

(say 25 years) and harmonise the benefit at Act level for all new entrants/ other existing employees across all the entities after a particular cutoff date. The accrued benefit in excess of the Act provisions for the relevant existing employees where benefits will be as per Act provision, going forward can either be frozen and paid at the time of leaving or paid out immediately with or without adjustment for tax implication. Grossing up for tax may make it more attractive should the Company decide to pay out the additional accrual over the Act provisions, immediately

Pros:

- Employees closer to retirement would have little time to make alternative retirement plans and hence protecting benefits for such employee cohorts would be consistent with the Company's philosophy of taking care of employees' retirement needs given that the country has very little social security
- Existing employees in the age/ tenure threshold would be happy that their benefits are protected at the current level.
- The cost savings would be relatively higher as compared to scenario one in respect of future additional accruals for employees not meeting the threshold besides some cost savings in the future for the group as the benefit will accrue based on PG Act for new entrants rather than the company scheme which is comparatively more generous
- Movement across entities shall be smoother for all employees in future and employee experience shall be consistent across all other entities going forward since other entities provide benefit based on PG Act

Cons:

- Reduction in future additional accrual for a certain section of the existing employees may lead to dissatisfaction and probably result in higher attrition
- Also if the Company decides to gross up and pay the additional accrued benefit to employees over and above the Act provisions, there would be cash flow implications due to immediate pay-out
- Again, if the Company needs to run two schemes in parallel, there would be additional administrative effort. Also if the Company decides to freeze the additional accrued benefit and pay on leaving, there would be further administrative effort to maintain records and communicate to the employees
- If the demographic profile is quite tenured in the three entities, then the cost savings that come through may not be material enough justifying the additional time and effort for making the change

<u>Scenario three</u>:

Harmonise benefits as per Act provisions for all existing employees as well as new entrants across all the entities after a particular cutoff date. The accrued benefit in excess of the Act provisions for the existing employees can either be frozen and paid at the time of leaving or paid out immediately with or without adjustment for tax implication. Grossing up for tax may make it more attractive should the Company decide to pay out the additional accrual over the Act provisions, immediately. An NPS scheme in lieu of the reduction in future

additional accrual could be offered to all employees to ensure that employees don't lose out on the benefits

Pros:

- Administration of a single scheme that is harmonized and uniform across all entities would be efficient and meet the objectives of the assignment.
- Providing an NPS scheme would convert the Defined benefit liability of the company on account of the better than Act provisions into a defined contribution scheme. This would be aligned to the group's global philosophy of keeping DB liabilities at mandatory minimum.
- The employees can also exercise better control and have greater choices on the investment of their retirement corpus in the NPS scheme depending on their risk appetite, level of income etc...
- Employees would appreciate that the company has not reduced the benefits overall and only redirected the same to the NPS scheme

Cons:

- Deducing a contribution rate for NPS that can equitably represent the reduction in benefit across the three legal entities for relevant employees would be a significant challenge. Any single rate or rate per entity or rate depending on employee cohorts (which could be age based for instance) would have cross subsidies and may be difficult to communicate and convince employees that it represents a fair compensation for the reduction in Gratuity benefit
- The cost savings would be very minimal though they could become more predictable
- Employees closer to retirement may feel cheated as an NPS alternative would have little time left to match the final salary linked gratuity benefit
- Introducing NPS would mean the need to administer another scheme and hence further time and effort required for that purpose

[15]

iv) A note that can help the group take an informed decision on subscribing to the corporate NPS scheme:

The Corporate NPS scheme is a DC scheme (not a trust) and hence relatively easier to operate. It offers flexibility and choice of investment for the purpose of retiral savings, has very low administrative cost, attractive tax benefits and provides an opportunity for enhanced returns due to higher equity exposure over a long period of savings.

Overview of the Corporate NPS model:

The group should register for a corporate NPS id to enroll for the Corporate NPS scheme. The group should also choose a Point of Presence (POP) for administering the scheme. The Company can negotiate the POP charges for the purpose of administration.

Employer can choose the investment model from two alternatives as below;

1. Employer choosing the allocation (life style choice under NPS for all employees for instance. This could be relevant and efficient for certain category of employees –

blue collar or unionized, who may not have adequate financial literacy for making choices)
2. Allow the employees to choose the allocation

In addition the employer can choose the fund manager or provide a choice of fund managers for the employees to choose.

Each employee would have an individual NPS account which would be identified by an independent PRAN (Permanent Retirement Account Number) attached to the Company NPS ID. The employee NPS account is portable which means that when the employee leaves the company he/ she can continue the contributions either on an individual basis or transfer to his/ her accumulations to the new employer.

Under the corporate NPS scheme, employer contributions up to 10% of the employees' annual basic salary is an allowable business expense [section 36 (1) (IV) (a)] and is not taxed in the hands of the employee [80 CCD (2)] as well. Besides the employee can contribute an additional INR 50,000 to the NPS tier II account which is tax deductible in the hands of the employee [80 CCD 1(B)] over and above the limit of 150,000 applicable [80 CCD (1) within the overall 80CCE] for other long term investment allowance.

The recent budget proposals also would enable up to 40% withdrawals on retirement and the entire pay-out to nominee on death of the member tax exempt. Also further the intention of the government is expected to create competitive and comparable retirement alternatives for the purpose of long term savings.

The scheme is regulated by the PFRDA (Pension Fund Regulatory Development Authority) which is a statutory body. The regulator oversees the NPS trust that governs the Corporate NPS scheme. The architecture is open and has a trustee bank, a central record keeping agency (or agencies, if opened up in the future), a custodian, pension fund managers, and POPs and annuity service providers.

Advantages

- Lowest cost
- Flexible given that contributions can be optional and the choice for portability
- Tax efficient
- Limitations on withdrawal from Tier I account making it a true retirement savings vehicle
- Open architecture allowing price discovery through healthy competition
- Robust governance given the oversight mechanisms in place (the governance structure is still evolving though as the NPS scheme is relatively new in the country compared to other retirement vehicles)
- DC scheme and hence cost is predictable from an employer's perspective

Disadvantages

- Very low fund management charges may not be conducive to active fund management and hence may compromise on the investment performance in the future
- Employees may not choose to contribute as it is optional defeating the purpose of the scheme
- Though the employer may decide to provide the investment choice to employees, it is likely that the employees may hold the employer morally responsible for poor investment performance in the future

- Given that there are multiple stakeholders, there could be confusion on who is accountable for what. This is more to do with building awareness about the scheme and can be suitably addressed through continuous and effective communication
- There is no capital guarantee in the scheme which could create problems of capital erosion of the retirement corpus if there is a sustained period of poor macroeconomic conditions. The scheme design does enable deferral/ draw down options at the time of retirement to address this issue of no capital guarantee.

Overall the corporate NPS scheme is a credible investment alternative that the group can provide to their employees. [10]

[50 Marks]

Solution 2:

i) Cash flow approach for determining contribution rate:

The cash flow approach should take into the objective of the company:

- To derive a contribution rate which is cost effective
- Able to meet the targeted pension (40% of final salary) under most of the normal circumstances for most of the members covered

Projection of the pension benefits payable from normal retirement age and the accumulation of contributions during the active membership will be carried out.
A notional asset portfolio will be chosen to project the investment returns & a given level of contributions will be tested in this approach.
A cash flow model will be built. The model points chosen for the exercise can be based on the existing profile of members with allowance given for the expected changes in future. These points should reflect the characteristics of the member groups in terms of age at entry, level of entry, salary etc.
Model will project:

- Pension benefits payable during retirement ,
- Accumulated fund payable on death or early leaving,
- Investment return based on the likely investment approach to be chosen by the Company
- Contributions that allow for increase in salary.

The basis chosen for projecting the cash flows should be the best estimates and should be consistent with each other, and

- The investment return can be a point estimate – alternatively if it is chosen as a random variable, we need to decide on the volatility & the correlation between asset classes (eg between & equity & bonds)
- The investment return used in post retirement must be consistent with the yield available on bonds matching the pension benefits.
- Pensionable Salary growth used in projection should reflect the company's view .
- The withdrawal rates should reflect the expected experience of the Company taking into account the trends in the industry.

The model will project the future cash flows over each future period of time – the projections may be carried out on monthly basis.
A stochastic model may give a range of contributions with different volatility levels. Large number of simulations will have to be carried out in that case. However, considering the time and fee given for this exercise, a simple deterministic model may be chosen instead.
The model would compare the value of pension benefits payable on retirement with the fund accumulated at each point of time to assess the likelihood of the given level contributions meeting the cost of the benefits.(contribution rates will be the variable)
The contributions that meet the cost of benefits at each model points would be scaled up across all model points to determine the aggregate contributions.
Sensitivity tests could be conducted to assess the impact on Contributions under some stressed conditions. For example:

- Cost of purchasing annuity going up by 10%,
- Investment return decreases by 100 or 200 basis points,
- 20% of members leave employment etc.

The rates can be expressed as % of salary; (total aggregate contributions divided by aggregate salary)
Separate rates can be derived for executives and administrative staff.

[12]

ii) Disadvantages of DC scheme for Executives:

This is a defined contribution scheme with uniform contribution rates for both the cadres.
The cost of pension accrual increases with age. All the executives are in the age group of 50-55. The Uniform Contribution rate, therefore for this group is likely to be much lower than the cost of accrual.
The executives are having lesser time to accumulate the target fund as they are closer to retirement. For most of the executive class members the pension corpus accumulated will be insufficient to meet the targeted pension.
The Executives are therefore unlikely to reach the targeted pension of 40% of final pensionable salary on their retirement.
The review of contribution rates at the end of 5 years may give scope for revision but Executives are unlikely to be benefited as they will be having lesser number of reviews (due to shorter future service).

[3]

iii) Accumulation for the member at the end of 3 years will be:

=1.0*0.12*1.095^2 + 1.0(1.08)*0.12*1.095 + 1.0(1.08)^2*0.12 = Rs. 425,763

<u>Assumptions</u>:

- Member's pensionable salary is Rs.1million per annum
- Salary increases take place at the end of the year
- Contributions are paid at the end of the year before salary review.
- Member survive the three year period and also remain in service

[3]

iv) Why periodical review?

The company has chosen the DC model to avoid exposure to the risk of unknown cost associated with Defined Benefit Scheme based on final salary.
But its objective is to provide targeted benefits linked to the final salary
The design can be considered as a balance between the needs of the employer (to control the cost) and the needs of the members (to have pensions related to final salary).
Both the Company & Members will be interested in monitoring the progress of pension fund over the accumulation period and the likelihood of the targeted benefit being met.
In the monitoring process they would like to take into account the changes in the actual experience (as compared with the assumptions used in the design) in areas such as

- Investment return,
- Increases in salary.
- Changes in the annuity purchase price in the insurance market,
- Attrition rates,
- Changes in the profile of member ship etc.

The review of performance of the scheme is necessary to ensure that appropriate actions may be taken to ensure that the primary objective of reaching the targeted benefits at NRA, taking into consideration the needs of both the company and the needs of both the member groups.

If the review reveals that targeted benefits are unlikely to be met for most of the members, then

- The Members may expect the company to pay higher contributions
- Members may require contributions to be made which are consistent with the cost of accrual.
- They may also want the company to inject additional lump sum funds (terminal funding) over and above the regular contributions to fund the deficit being faced by some members at retirement.

But Company may want:

- Members also to share the cost in case the contributions are insufficient;
- Propose changes in the investment strategy- e.g. moving to an insurance product or NPS that may offer higher returns
- Changes in the rules of the scheme, e.g. can the transfer value be reduced or deferred in case of member joining another company

The review gives scope to the stake holders to assess the benefit offered by the scheme taking into consideration their individual needs.

[7]

v) Roles & Responsibilities of Trustees:

_The Trustees must act as per Indian Trust Act 1882 in the best interest of the members. Their role and responsibilities in administering the DB scheme cover the following areas:

- Control of assets
- Financing benefits
- Benefit administration
- Exercise of discretionary powers

They must set the investment objectives of the fund taking into account security of the benefits vested. They must invest assets of the fund to maximise the returns without compromising the security of the benefits. They are responsible for safe custody of the assets even if the job is assigned to a Custodian.
Trustees are also responsible for setting funding objectives in consultation with the Employer. They must agree on the funding levels & policy relating to under-funding and how the short fall, if any will be managed. They must assess the impact of the business decision taken by the employer on the financing of the scheme and take appropriate steps to ensure the security of the benefits (for instance, decision to extend membership to new executives).
They are responsible for the overall benefit administration; this responsibility includes, maintaining member's records, preparing accounts of the scheme funds; ensure benefits are calculated and paid in accordance with the Trust deed & rules.
Trustees usually have the discretion as to the distribution of lump sum benefits especially those on death in service. They may have discretion to grant additional benefits or to increase benefits payable under the scheme either generally or in individual cases. They sometimes have to determine whether a member is entitled to benefits, for example, an early retirement pension on health grounds.
Other responsibilities include to conduct Trustee meetings, maintain minutes of the meetings, compliance with the provisions of various regulations, e.g. Income Tax Act, 1961 etc.
If the Trustee have more than one role, (for e.g. Investment Manager or beneficiary), must manage conflict of interest. [4]

vi) Investment considerations for a defined benefit scheme:

The investment policy of the Trust should aim to maximise the returns available on assets invested subject to adequate safety and matching the pension benefits in respect of nature & term.
Scheme of company B is a small defined benefits scheme with liabilities dominated by benefits of active members. The accrued benefits are guaranteed in nature with an average outstanding term of about 12 years.
In India, the Trustees need to buy annuities at the time of vesting from insurance companies. The annuity rates will likely be based on yield available on long term government bonds. The Trustees, by investing in long term bonds, can minimise the risk of funds not consistent with the movements in annuity rates.
Government bonds provide a good match for the vested benefits.
But the investment return from bonds is likely to be low and offer a poor match for accrued benefits which are linked to final salary.
The Trustees may also consider moving away from the matched position with the aim of achieving higher returns (and thus reducing the future contribution requirements).
For e.g.

- Investment in corporate bonds but meeting the default risk;
- Considering investment in equities but meeting the risk of volatility of returns

The scheme is already in deficit.
An asset-liability modelling exercise may help the Trustees to understand the risk of moving away from the matched position and its likely impact on the deficit of the scheme.
They must consider the quality of assets within each asset class while choosing the assets by referring to the credit ratings.
Trustees may consider placing upper limit on each asset class to achieve diversification.

The Trustees may also consider using the funded products available in the insurance market. They provide exposure to equities; offer competitive returns and provide a smooth transfer of funds at the time when pension is to be purchased.
The Trustees have the choice to select more than one insurance company for investing the funds. But they need to consider the ongoing charges and the surrender penalties imposed by the insurers.
The Trust also needs liquid funds to meet the pension benefits already vested but not yet purchased.
Need to follow the investment guidelines given in part xiii of Income Tax Rules, 1962.
If external fund managers are used, must choose an investment bench mark to monitor the performance.
If an active investment policy is chosen, appropriate guidelines must be given to the fund managers on permitted deviations (to outperform the chosen investment index) & stop loss limits.
They must set the mechanism for monitoring the overall performance of the fund taking into account the financial & economic conditions prevailing in India.

[9]

vii) Impact on funding position of scheme of company B on admitting 5 new executives into the scheme:

The scheme B is presently in deficit with funding ratio of 90.79% (=350/385.5)
The funding position on the admission of 5 new members will be
= (350+ transfer value brought in by new members)/(385.5+ liability in respect of new members)
And the liability in respect of new members= Value of their benefits in scheme B less value of future contributions for them.

(A) Value of the pension benefit for the 5 members payable from age 60 (assuming valuation assumptions of scheme B) will be

= 5 *1.17 *(1.0775/1.0875)^7 *0.40 * 10
= 5 * 1.17*0.9374*0.40*10 = 21.932 million

(B) Value of future contributions payable in respect of the 5 members

= 5 * 1.17 * a_7 * 0.13 where a7 is calculated at i'=0.92854%
= 5 * 1.17 * 6.7457 * 0.13 = Rs. 5.13 million

(C) Hence liability in respect of new members = 21.93-5.13= 16.80 million

(D) Transfer-in value brought in by members from Scheme A (using the results of ii)
= 5 *0.426 = Rs.2.13 million

(E) The new funding ratio after admission of new members

= (350+2.13)/ (385.5+ 16.80)
=352.13/ 402.30 =87.53%

Comment: Hence the funding position will deteriorate from 90.79% to 87.53% after admission of new members

[6]

viii) Action to be taken by the Trustees while admitting the new members:

Trustees have the responsibility to ensure the security of benefits for the existing members.
Admission of 5 new transferring members into the scheme may threaten the security of the benefits as funding ratio reduces by more than 3%.
The cost of providing benefits to these members is much higher than the value of transfer amount brought in by the new members.
Further, the new members get priority over many of the existing members as they will be reaching NRA earlier than the existing members on an average (due to their higher age).
Trustees may need to discuss this aspect with the employer and express their concern on admitting the new members into the scheme.
They may insist on additional funding (either immediate or over time) by the Company B to cover the deficit caused by the members' entry into the scheme.
They may agree to provide final salary DB benefits to the new members on pro-rata basis in respect of future service only together with the transfer value brought in by them.
Trustees may propose to start a DC scheme for the new members with the transfer-in value to which the future contributions may be credited.
They may ring fence the assets of Scheme B for the benefit of existing members only.
Trustees may consider other options as well such as increasing the NRA for new members, insist on contributions from the new members etc.
In an extreme case, they may refuse to admit the members into the scheme; but this option may be considered unreasonable by the employer as he is the sole financier of the scheme and he has absolute rights over the use of surplus/deficit.
Further, refusing admission may reduce the covenance of the Company B to finance the scheme. Hence this option is unlikely to be used by the Trustees.

[6]
[50 Marks]

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