



## Recovery Plan / Schedule of Contributions

**Registration number:**

T.Σ. 3257

**Date:**

July 2015

## Recovery Plan

### Introduction

This Recovery Plan has been prepared by the Trustees to satisfy the requirements of Article 34 of Law 208(I) 2012, after obtaining the advice of **Philippos Mannaris FCCA, AIA**, the Fund Actuary, and after consultation with the Employer.

It follows the actuarial valuation of the Fund as at **31 December 2014** which revealed a funding shortfall (technical provisions minus value of assets) of **€160.500.009**.

### Steps to be taken to ensure the funding objective is met

To eliminate the funding shortfall above, the Trustees and the Employer have agreed that additional contributions (i.e. contributions over and above those needed to cover benefits being earned in the future) will be paid to the Fund by the Employer as follows:

- **€17,0 million payable annually over the next 10 years for funding the past-service deficit**

### Period in which the funding objective should be met

Under this Recovery Plan, if the assumptions made are borne out in practice, the funding shortfall will be eliminated in 10 years.

This assumes that future Fund experience will be in line with the assumptions underlying the technical provisions. The assumptions are:

- technical provisions will continue to be calculated according to the method and assumptions set out in the Statement of Funding Principles dated 16 July 2015, with financial conditions unchanged from those at the valuation effective date;
- future Fund experience will be in line with the assumptions underlying the technical provisions, except that the future investment return during the period will be equal to 4,10% per year, on future contributions held in respect of final salary liabilities.

### Adherence to statement of funding principles

I hereby certify that, in my opinion, this schedule of contributions is consistent with the Statement of Funding Principles dated 16 July 2015.

This Recovery Plan was agreed by the Trustees at their meeting # 21/2015 on **21 July, 2015**.

### Signed on behalf of the Fund's Trustee[s]



Christos Patsalides  
Chairman

Date: 25/9/2015

### Signed on behalf of the Employer[s]



Michalis Achilleos  
Deputy CEO - cyta

Date: 25/9/2015

## Schedule of Contributions

### Status of this document

This schedule has been prepared by the Trustees of the Pensions and Grants Fund of the Personnel of Cyprus Telecommunications Authority after obtaining advice of **Philippos Mannaris FCAA**, the actuary to the Fund, appointed by the Trustees.

After discussions between the Trustees and the Employer, this schedule of contributions has been agreed by the Employer, Cyprus Telecommunications Authority.

### Contributions to be paid

- €17,0 million payable annually over the next 10 years for funding the past-service deficit
- 13,7% of pensionable payroll payable annually from 1 January 2015 (€8,2 million for FY2015) for financing the cost of future service accrual

### Dates of review of this schedule

This schedule of contributions will be reviewed by the Trustees and the Employer annually.

### Signed on behalf of the Fund's Trustee[s]



Christos Patsalides  
Chairman

Date: 25 / 9 / 2015

### Signed on behalf of the Employer[s]



Michalis Achilleos  
Deputy CEO - cyta

Date: 25 / 9 / 2015

## Certification of Schedule of Contributions

**Adequacy of rates of contributions** I certify that, in my opinion, the rates of contributions shown in this schedule of contributions are such that the funding objective can be expected to be met by the end of the period specified in the recovery plan.

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The certification of the adequacy of the rates of contributions for the purpose of securing that the funding objective can be expected to be met is not a certification of their adequacy for the purpose of securing the Fund's liabilities, if the Fund were to be wound up.

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Signature:

Date: **July 2015**

Name: **Philippos Mannaris**

Employer: **Aon Hewitt (Cyprus) Ltd**

## Certificate of Technical Provisions

### Calculation of technical provisions

I certify that, in my opinion, the calculation of the Fund's technical provisions as at 31 December 2014 is made in accordance with the requirements of Law 208(I) 2012. The calculation uses a method and assumptions determined by the Trustees of the Fund.

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Signature:

Date: **July 2015**

Name: **Philippos Mannaris**

Employer: **Aon Hewitt (Cyprus) Ltd**