



Briefing Sheet for the Amendment to Group Fixed Annuity Contract Uniform Standards for Employer Groups

- These amendments clarify the scope of the Uniform Standard to accept more types of group fixed annuity contracts.
- The Single Group Fixed Annuity Contract Uniform Standards for Employer Groups was initially adopted in September 2019 and implemented in January 2020.
- The scope of the current Uniform Standards provides these contracts “are used as part of a pension risk transfer.”
- This sentence narrowed the ability of this standard to be used for other types of group fixed annuity contracts which appeared to be a drafting oversight and the Product Standards Committee is recommending amendments clarify other types of fixed annuity contracts can be filed.
- Close out contracts are group annuity contracts issued to trustees of a pension plan where the plan transfers liability for the payment of pension benefits to an insurance company in exchange for a lump sum payment. In these arrangements, typically the pension plan is terminating.
- Other types of group annuity contracts include terminal funding contracts to trustees of active pension plans for the purchase of immediate annuity benefits to pay pension benefits as plan participants separate from service due to retirement, disability, or death. There are other types of group annuity arrangements that are funded through fixed annuities.
- The amendments include:
 - Changing the title of the standard to Group Fixed Annuity Contract Uniform Standards for Employer Groups by removing the term “Single Premium”.
 - Amending the scope to apply to either a defined benefit or a defined contribution plan and deleting the reference to single premium fixed annuity contracts.
 - Adding a definition of “pension risk transfer.”
- Written comments are due by August 29th and a public hearing to receive oral comments will be held at the in-person meeting on August 15th.