



Chartered
Insurance
Institute

R06

Diploma in Regulated Financial Planning

Unit 6 – Financial planning practice

April 2026 Exam Guide

SPECIAL NOTICES

Candidates entered for the June 2026 exam should study this exam guide carefully in order to prepare themselves for the exam.

Practice in answering the questions is highly desirable and should be considered a critical part of a properly planned programme of exam preparation.

R06 – Financial planning practice

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IMPORTANT GUIDANCE FOR CANDIDATES

Introduction

The purpose of this Exam Guide is to help you understand how examiners seek to assess the knowledge and skill of candidates. You can then use this understanding to help you demonstrate to the Examiners that you meet the required levels of knowledge and skill to merit a pass in this unit. During your preparation for the exam, it should be your aim not only to ensure that you are technically able to answer the questions but also that you can do justice to your abilities under exam conditions.

Before the exam

Study the syllabus carefully

It is crucial that you study the relevant syllabus carefully, which is available online at www.cii.co.uk, on the relevant qualification page. All the questions in the exam are based directly on the syllabus. *You will be tested on the syllabus alone*, so it is vital that you are familiar with it.

Read widely

To get the most out of your learning, it's important to explore beyond just one textbook. Relying solely on a single study text may not give you all the depth or perspectives you need. While the main study materials are designed to cover the syllabus, they might not always explain things in a way that works for you—or offer alternative viewpoints that deepen your understanding.

That's why reading around the subject is so valuable. If a topic feels unclear or you're curious to see how others approach it, looking at different sources can really help. Think of it as building a richer, more rounded picture of what you're learning.

Build confidence in your knowledge and ability to apply it.

Make full use of the Exam Guide

This Exam Guide contains a full exam paper and model answers. The model answers show the types of responses the examiners are looking for and which would achieve maximum marks. *However, you should note that there are alternative answers to some question parts which would also gain high marks.* For the sake of clarity and brevity not all of these alternative answers are shown.

This guide and previous Exam Guides can be treated as 'mock' exam papers. Attempting them under exam conditions as far as possible and then comparing your answers to the model ones should be seen as an essential part of your exam preparation.

The Examiner's comments on candidates' actual performance in each question provide further valuable guidance. You can obtain copies of the two most recent exam guides free of charge on the relevant qualification page at www.cii.co.uk.

Know the layout of the tax tables

Familiarise yourself with the tax tables printed at the back of the Exam Guide. The tax tables enable you to concentrate on answering the questions without having to worry about remembering all the information. *Please note that you are not allowed to use your own tax tables in the exam, these are provided in the portal when you sit the exam.*

Know the structure of the exam

- The paper is made up of two written case studies.
- The paper will carry a total of 150 marks.
- Each question clearly shows the maximum marks which can be earned.

Test yourself under timed conditions

To gain most benefit from this exercise you should:

- Study the details in the case studies over the two-week period as you would for the real exam.
- Set yourself three clear hours to complete the question paper, taking into account the financial objectives provided.
- Compare your answers against the model answers once the three hours have elapsed. The model answers will not give every acceptable answer, but it will give you a clear indication of whether your responses were sufficiently detailed and if the technical knowledge was correct.
- Go back and revise further any technical weaknesses revealed in your responses.

If you use your time wisely, focusing on improving your technical knowledge and understanding of the financial planning process, you will have the time when the case studies are available to focus on the client details and prepare yourself for the exam day.

You can also access previous exam papers and test specifications [here](#).

Assessment Information and Rules and Policies for candidates

Please review the [assessment information](#) and [rules and policies](#) for candidates. Full details of the administrative arrangements and the regulations governing your exam entry are available online.

Two weeks before the exam

The case studies

The case studies, containing client information which will form the basis of the exam questions, will be available on the CII website and in RevisionMate.

How should I use my time over the two-week period?

It is too late at this stage to start your general revision. The two weeks will need to be devoted to familiarising yourself with the client details from the case studies.

How should I use the case studies to help me prepare?

- Study the client circumstances presented in the case study.
- Consider the financial objectives of the clients and look for other possible areas of need.
- Look for technical areas that you may wish to revise, e.g. investment portfolios, pensions.

Practice some key calculations, e.g. Income Tax and Inheritance Tax liabilities, which might inform the client's final financial plan.

Preparing the groundwork – considering possible solutions

Once you have identified the clients' likely needs you should start to consider possible solutions to meet those needs and how the financial planning process would be properly applied to the client(s). You may need to research some details of the solutions you are considering. You may want to go back to your revision notes.

You may need to read about particular products; try product providers for technical information, tax offices, Directgov website, National Savings and Investments liaison office.

For each of the possible solutions, consider how appropriate it might be to the client.

Understand the skills the exam seeks to test

The exam is based on two case studies for fictional clients whose details you will have received two weeks prior to the exam day. The case studies will enable you to familiarise yourself with the clients' circumstances.

On-screen written exam familiarisation

The familiarisation test allows you to experience using the assessment platform before your exam.

Please note, that while there might be slight differences in layout, it will give you a good idea of how to navigate and use the platform functionality. This test is for the purpose of familiarisation with the assessment platform only.

You can access the familiarisation test at any time. It can be found [here](#).

We strongly recommend that you take the familiarisation test to ensure you are familiar with the on-screen assessment platform experience.

If you have previously sat any of the CII's multiple-choice exams, please note this familiarisation experience has a different set up.

On the day of the R06 exam, upon accessing the platform, you will need to click on the highlighted section below to start the exam:



We would recommend that prior to starting the exam, you may wish to take a moment at this screen to jot down any notes on paper that may assist you during the exam.

Please note the exam timer will not start until you click the exam titled: **R06 Financial planning practice**.

Important information for remote invigilation candidates only

If you are taking the exam through remote invigilation, **we strongly advise that you try the online Tutorial test** once you have received your exam login details and well in advance of the actual exam day. This test is different to the familiarisation test.

You will receive the below information via email before your exam date.

You must check the equipment you plan to use on the exam day is suitable. The system requirements are [here](#)

EXAM TUTORIAL:

- [Launch Tutorial Test](#)
- Duration: The tutorial will take approximately 30 minutes to complete.
- Attempts: Launch the tutorial test up to three (3) times to familiarize yourself with the environment. We suggest saving one attempt for 2-3 days prior to your exam date.
- Timing: The Launch link will expire 150 minutes (2 hours and 30 minutes) prior to your scheduled exam time.

To access your exam on the exam day click on the "Launch Exam" link beside your scheduled exam within the Bookings and Results area of MyCII [Dashboard](#). If you have any difficulty accessing your MyCII account, you should contact CII customer service at the contact details below.

This Exam Tutorial will help you feel confident and prepared for exam day. It guides you through the system and helps identify any potential issues with your equipment in advance, reducing the risk of technical problems during your exam.

Please note you are strongly advised not to use a laptop provided by your employer.

Laptops and IT equipment provided by your employer typically include security protocols that conflict with any remote invigilation software. You should also avoid using a corporate Wi-Fi or any other internet connection that may include firewalls that you cannot personally control.

The exam platform no longer supports Windows 10 or macOS Ventura for any online testing.

These operating systems no longer meet the minimum technical requirements. Continuing to use them may introduce compatibility issues, affecting performance during test sessions.

It is fundamentally important that, if you are sitting an exam via remote invigilation, you read all of the documents on this page; [How to prepare for your on-screen written exam by remote invigilation](#).

If there is anything you are unsure of, or if you have not received the tutorial email, please contact Customer Service (telephone +44 (0)20 8989 8464 Mon to Fri: 9am – 5pm (UK time), email customer.serv@cii.co.uk, Webchat service: Mon-Fri: 8am-4pm (GMT) as soon as possible, as this may affect your exam sitting.

On the exam day

The case studies

You will not be able to take your pre-released copy of the case studies into the exam with you.

The case studies will be provided on-screen in the exam. There will not be any new or different information contained within the case studies. The instructions are focused on the client objectives identified from the case studies.

The following will help:

Spend your time in accordance with the allocation of marks:

- The marks allocated to each question part are shown on the paper.
- If a question has just two marks allocated, there are likely to be only one or two points for which the examiner is looking for, so a long answer is wasting valuable time.
- Conversely, if a question has 12 marks allocated, a couple of lines will not be an adequate answer. Always remember that if the paper is not completed, your chances of passing will be reduced considerably.
- Do not spend excessive time on any one question; if the time allocation for that question has been used up, flag the question, go on to the next question and return to the incomplete question after you have completed the rest of the paper, if you have time.

Take great care to answer the question that has been set.

- Before you start writing, take a moment to think carefully about what the question is really asking. Understanding the examiner's requirements is key to producing a strong, focused answer.
- Highlighting key words and phrases is a technique many candidates find useful.
- The model answers provided in this Exam Guide would gain full marks. Alternative answers that cover the same points and therefore answer the question that has been asked would also gain full marks.

Order of answering questions

Answer the questions in whatever order feels most comfortable. Generally, it is better to leave any questions which are felt to be challenging until the more familiar questions have been attempted but *remember not to spend excessive time on the questions you are most confident about*. You are able to flag questions and then go back to them.

Answering different question parts

Always read all parts of a question before starting to answer it, otherwise you may find that after answering part (a), the answer you have given is more appropriate to part (b) and it may be necessary to duplicate some of the answer.

Answer format

Subject to providing sufficient detail you are advised to be as brief and concise as possible, using note format and short sentences.

Marks are not lost for incorrect spelling or grammar.

Calculators

The calculator is in a pop-up box on the right-hand side of the interface. It is important to show all steps in a calculation in your answer, even if you have used a calculator. You are permitted to use your own non-programmable calculator.

EXAMINERS' COMMENTS

Candidates' overall performance

It was pleasing to note that performance was good across the paper, although some areas of weakness were in evidence in respect of the more complex technical areas of the paper where candidates were asked to apply their knowledge to the specific client circumstances. Most candidates had prepared well for the examination by a detailed review of the Case Studies and were therefore able to achieve good marks.

Case Study 1

1 (a)

Candidates were asked to state the additional information that a financial adviser would require to assess the suitability of Khaled and Jenna's current financial arrangements to enable them to meet their objectives. Most candidates performed well here although many candidates failed to identify the need to obtain information in respect of the OEIC and share portfolio.

1 (b)

This question required candidates to recommend and justify the actions that Khaled and Jenna could take to draw a tax-efficient sum from their savings and investment portfolio to enable them to purchase the property. Performance was generally good here but only a limited number of candidates recognised that Jenna could make larger pension contributions to further extend her Basic Rate Tax band to lower the Capital Gains Tax charge on the potential sale of the OEIC portfolio.

1 (c)

This question asked candidates to explain in detail to Khaled and Jenna the financial implications of purchasing the new property before completing the sale of the current property. Most candidates performed very well here and gave comprehensive answers.

1 (d)

Candidates were asked to explain in detail to Khaled and Jenna why an investment into an onshore investment bond may be a suitable option to meet their objectives for the inheritance. Mixed performance here with a number of candidates unable to explain the features of an investment bond and why it might be suitable. Some candidates would benefit from a careful review of the tax treatment of this type of investment.

1 (e)

Candidates were asked to comment on the suitability of Jenna's target date fund in her pension fund. Very good performance overall here with the majority of candidates able to comment in detail on this type of fund and its' suitability for Jenna.

1 (f)

This question asked candidates to explain to Khaled and Jenna the reasons why their existing personal investment portfolios may be unsuitable in meeting their objectives. Overall performance here was mixed as many candidates focused only on the pension funds, rather than their personal investments.

Case Study 2

2 (a)

Candidates were asked to identify the key information that Peter and Sally should take into consideration when assessing their ability to meet their expenditure needs during Peter's sabbatical. Most candidates performed well here and gave comprehensive answers, although only a limited number of candidates recognised that Peter would be entitled to reclaim some of the Income Tax that he had paid in the current Tax Year before starting his sabbatical.

2 (b)

This question required candidates to explain to Peter the options available to him in respect of his pension planning whilst he is on sabbatical. Overall performance was very good here.

2 (c)

This question asked candidates to state the reasons why Peter and Sally should not consider taking a mortgage payment holiday during Peter's sabbatical. Very good performance here from the majority of candidates.

2 (d)

Candidates were asked to recommend and justify a range of actions that Peter and Sally can take to improve the tax-efficiency of their current financial arrangements. Overall performance here was good, although a number of candidates failed to achieve high marks as they did not identify the actual tax rates or tax savings that could be achieved by each of their recommended actions.

2 (e)

This question asked candidates to recommend and justify a suitable life assurance policy to replace Peter and Sally's existing mortgage protection policy to provide adequate cover in the event of either death. Performance was generally good here with the majority of candidates able to achieve high marks.

2 (f)

This question required candidates to identify the key drawbacks for Peter of investing in the global equity tracker fund within his workplace pension scheme. Performance was mixed here as a number of candidates gave generic answers which did not relate specifically to the global equity tracker fund and focused instead on the pension scheme and issues such as tax relief.

2 (g)

This was a standard review question which asked candidates to identify eight key issues that a financial adviser should discuss with Peter and Sally at their next annual review. Overall performance here was excellent, and most candidates were able to achieve high marks.

Unit R06 – Financial planning practice**Instructions to candidates**

Read the instructions below before answering any questions.

All questions in this exam are based on English law and practice applicable in the tax year 2025/2026, unless stated otherwise in the question, and should be answered accordingly. It should be assumed that all individuals have long-term UK residence status unless otherwise stated.

If you are sitting via remote invigilation, please

- **Write down the following number +44 (0)80 8273 9244. This is the number to call if you experience any technical issues.**
- Show your ID to the camera now, if you did not do so during the ID checks.
- Show the edge of your screen with a mirror, if you did not do this during the room scan.
- Show any blank sheets of paper for notes, if you did not show both sides to the camera during the room scan.

If you are sitting in a test centre and encounter a problem, please alert the invigilator.

For candidates sitting via remote invigilation or at a test centre

- This paper consists of **two** case studies and carries a total of 150 marks.
- You are advised to spend approximately 90 minutes on the questions for each case study. You are strongly advised to attempt **all** parts of each question in order to gain maximum possible marks for each question. The number of marks allocated to each question part is given next to the question and you should spend your time in accordance with that allocation.
- Read carefully all questions and information provided before starting to answer. Your answer will be marked strictly in accordance with the question set.
- The calculator is in a pop-up box on the right-hand side of the interface. It is important to show all steps in a calculation in your answer, even if you have used a calculator.
- **Tax tables are provided at the right-hand side of the interface after the question paper.**
- For each answer, please type in the full question number you are answering e.g. 1a
- **Please note each answer must be typed in the correct corresponding answer box.**
- If you are wearing a headset, earphones, smart watch please take them off. No watches are allowed.
- Please familiarise yourself with **all** questions before starting the exam.

Subject to providing sufficient detail you are advised to be as brief and concise as possible, using note format and short sentences.

Attempt ALL questions for each case study**Time: 3 hours****Case Study 1**

Read carefully all information provided in the case study before attempting the questions. Your answers should take into account the clients' circumstances as set out in the case study.

*Read the following carefully and then carry out **ALL** of the tasks (a), (b), (c), (d), (e), and (f) which follow.*

Khaled and Jenna, both aged 64, are married with four adult children. Khaled and Jenna are both in very good health and are planning to continue to work full-time until age 67. All of their children are married, and they have six grandchildren between the ages of 5 and 15.

Khaled is a telecoms consultant and earns £85,000 per annum (gross). He is a member of his employer's death-in-service scheme which will pay out four times his basic salary on death whilst in service. Khaled is a member of his employer's qualifying workplace pension scheme and contributes 10% of his gross salary to the scheme. This is matched by his employer. His pension plan has a current value of £540,000 and is invested in a range of UK and global managed funds. Khaled's employer does not offer any further employee benefits. This pension is nominated in favour of Jenna.

Jenna is a journalist and earns £50,000 per annum (gross). She is a member of her employer's qualifying workplace pension scheme and contributes 7% of her gross salary to the scheme. Her employer contributes 5% of her gross salary to the scheme. Her pension plan is invested in a cautious target date fund, based on her planned retirement at age 67. This has a current value of £310,000. This pension is nominated in favour of Khaled. Jenna's employer does not offer any further employee benefits. They will allow her to work on a freelance basis after she has retired. Jenna is keen to do this on an ad hoc basis following her planned retirement from full-time work.

Khaled and Jenna are in the process of purchasing a new home. The sale of their current property has just fallen through, but they wish to continue with the purchase of the new home which is due for completion in the next six weeks. They have asked for advice regarding how they can make the purchase of the new property whilst they wait to find a buyer for their current home. Their current home is mortgage-free and valued at £600,000. They have no other debts or liabilities. The new property has an agreed purchase price of £520,000, before fees or any taxes.

Khaled and Jenna hold a range of stocks and shares ISAs and open-ended investments companies (OEICs) which are invested in a range of equity funds. The OEIC holdings have performed very well and have large capital gains built up within the holdings. Khaled also holds shares in a UK Telecoms company (plc) which has performed badly over the past few years. It is currently showing a large capital loss, based on the current market price. Neither Khaled nor Jenna have used their ISA allowances for the current tax year.

Jenna is due to receive an inheritance later this year, from her late aunt, of approximately £150,000. She wishes to retain full control of this inheritance but intends to invest it with a view to using it to provide additional funds in retirement for herself and Khaled. No further inheritances are expected for either of them.

Khaled and Jenna both have a moderate attitude to risk. They are willing to invest a portion of their portfolio to provide both capital and income for themselves, with the prospect of growth to provide a greater inheritance for their children on second death. They have limited interest in Environmental, Social, and Governance (ESG) investing, but they have stated that they do not wish to focus on this as a key concern for their future investment strategy.

Khaled and Jenna have up-to-date Wills which leave everything to the survivor, with the remaining estate split between their four children on second death.

Khaled and Jenna have the following assets:

Assets	Ownership	Value (£)
House	Joint	600,000
Current Account	Joint	20,000
Deposit Account – Variable rate – Instant Access	Joint	70,000
OEIC – European Equity funds	Joint	290,000
Stocks and shares ISA – Global Equity funds	Khaled	200,000
Individual Equities – UK Telecoms shares	Khaled	75,000
Stocks and shares ISA – Emerging Market funds	Jenna	150,000

Khaled and Jenna's financial aims are to:

- consider how best to fund the purchase of their new property;
- assess the suitability of their current pension arrangements;
- consider how best to invest the inheritance from Jenna's late aunt.

Questions

- (a) State the additional information that a financial adviser would require to assess the suitability of Khaled and Jenna's current financial arrangements, to enable them to meet their objectives. (15)
- (b) Recommend and justify the actions that Khaled and Jenna could take to draw a tax-efficient sum from their savings and investment portfolio to enable them to purchase the property. (12)
- (c) Explain in detail to Khaled and Jenna the financial implications of purchasing the new property before completing the sale of their current property. *No calculations are required.* (9)

- (d)** Jenna wishes to invest her inheritance from her late aunt to provide income and capital in retirement for herself and Khaled, but also with a view to potentially improving the inheritance for their children on second death.

Explain in detail to Khaled and Jenna why an investment into an onshore investment bond may be a suitable option to meet their objectives for the inheritance.

(15)

- (e)** Comment on the suitability of Jenna's target date fund in her pension fund.

(10)

- (f)** Explain to Khaled and Jenna the reasons why their existing personal investment portfolios may be unsuitable in meeting their objectives.

(12)

Total marks available for this question: 73

Case Study 2

Read carefully all information provided in the case study before attempting the questions. Your answers should take into account the clients' circumstances as set out in the case study.

*Read the following carefully, then carry out **ALL** of the tasks (a), (b), (c), (d), (e), (f) and (g) which follow.*

Peter and Sally, both aged 43, are married, with two children aged 12 and 7. Peter and Sally are in good health. Peter is planning to take a one-year sabbatical from work to complete a master's degree. His employer has agreed to fund the qualification for Peter, and he will return to his current position in twelve months' time.

Peter is employed as a software developer and currently earns £65,000 per annum (gross). He leaves his position in June and will receive no salary or other benefits during his sabbatical.

Peter is a member of his employer's workplace pension scheme and currently contributes 6% of his gross salary to the scheme. His employer contributes 3% of his gross salary to the scheme but all contributions will cease in June 2026. Peter's pension fund has a current value of £105,000 and is invested in a global equity tracker fund. Peter is also a member of his employer's death-in-service scheme which will pay out three times his basic salary on death whilst in service. His membership of this scheme will also cease whilst he is on his sabbatical.

Sally is a copywriter and currently earns £60,000 per annum (gross). She is a member of her employer's workplace pension scheme, and she contributes 10% of her gross salary to the scheme. Her employer contributes 5% of her gross salary to the scheme. Sally's pension fund has a current value of £90,000 and is invested in a UK multi-asset fund. Sally is also a member of her employer's death-in-service scheme which will pay out four times basic salary on death whilst in service.

Peter and Sally have a repayment mortgage with an outstanding balance of £160,000 on their home, which is currently valued at £350,000. They are concerned that the mortgage repayments may be unaffordable during Peter's sabbatical year and are considering how best to meet their expenditure during this period. They have the option of taking a mortgage payment holiday. The mortgage is protected in full by a level-term assurance policy which was set up when they took out the mortgage. They are unsure if this policy is suitable for their needs. They have no other protection policies in place.

Peter and Sally have an interest in Environmental, Social and Governance (ESG) investments and both of them wish to avoid investing in weapons and armament manufacturing. They are both high-risk investors.

Neither Sally nor Peter have used their ISA allowances for the current tax year.

Peter and Sally have set up mirror Wills which leave all assets to the survivor on first death and held in Trust on second death for their two children. They have appointed Peter's sister as guardian for the children in the event of both of their deaths.

Peter and Sally have the following assets:

Assets	Ownership	Value (£)
House	Joint	350,000
Current Account	Joint	2,000
Deposit Account – Instant Access	Joint	70,000
National Savings & Investments Income Bonds	Sally	60,000
Stocks and shares ISA – UK Multi-Asset fund	Sally	24,000
Stocks and shares ISA – UK FTSE-All Share Tracker fund	Peter	30,000

Their financial aims are to:

- ensure they can meet their expenditure during Peter’s sabbatical;
- improve the tax-efficiency of their current financial arrangements;
- ensure they have adequate financial protection for the family.

Questions

- (a) Identify the key information that Peter and Sally should take into consideration when assessing their ability to meet their expenditure needs during Peter’s sabbatical. (14)
- (b) Explain to Peter the options available to him in respect of his pension planning whilst he is on his sabbatical. (8)
- (c) State the reasons why Peter and Sally should **not** consider taking a mortgage payment holiday during Peter’s sabbatical. (10)
- (d) Recommend and justify a range of actions that Peter and Sally can take to improve the tax-efficiency of their current financial arrangements. (14)
- (e) Recommend and justify a suitable life assurance policy to replace Peter and Sally’s existing mortgage protection policy to provide adequate cover in the event of either death. (14)
- (f) Identify the key **drawbacks** for Peter of investing in the global equity tracker fund within his workplace pension plan. (9)

- (g) Identify **eight** key issues that a financial adviser should discuss with Peter and Sally at their next review meeting. (8)

Total marks available for this question: 77

NOTE ON MODEL ANSWERS

The model answers given are those which would achieve maximum marks. However, there are alternative answers to some question parts which would also gain high marks. For the sake of clarity and brevity not all of these alternative answers are shown. An oblique (/) indicates an equally acceptable alternative answer.

Model answers for Question 1**(a)**

- Current expenditure/affordability/surplus income/emergency fund/Solicitor costs/Stamp Duty costs for new property.
- Retirement income needs/Jenna's projected part-time income.
- Family health/longevity.
- Dividend income/ interest rate on cash account.
- Pension contribution history/carry forward available.
- Salary sacrifice/employer matching.
- Base Cost on OEIC holdings/current Capital Gains Tax position on each holding/current losses on Khaled's shares.
- Use of CGT exemption/any capital losses registered in previous years?
- Need for guaranteed/ flexible income/retirement options on current pension plans.
- BR19/State Pension.
- Fund choices/asset allocation.
- Charges.
- Nominations/Lasting Powers of Attorney (LPAs).
- Priority of objectives (IHT vs retirement income)/plans for gifting.
- Capacity for Loss (CFL).

(b)

- Use ISA portfolio.
- All proceeds are tax-free.
- Use Deposit account.
- No penalty on access for Deposit account/no tax implications on access.
- Sell OEIC holdings/sell Khaled's telecom shares.
- Calculate Capital Gains Tax position/identify base costs.
- Register any capital losses/use losses.
- Transfer shares to joint names/use interspousal exemption.
- Use CGT exemption of £3K each.
- CGT of 24% for Khaled/18% for Jenna.
- Increase pension contributions for Jenna to increase Basic Rate band (more gains can be taxed at 18%).
- Consider using Pension Commencement Lump Sum for tax-free lump sum.

- (c)
- Treated as 2nd property/must designate Principal Private Residence (PPR) with HMRC.
 - Additional Stamp Duty (SD) must be paid.
 - Refund of excess Stamp Duty available if sold within 36 months.
 - Capital Gains Tax (CGT) due on investment funds if used to purchase new property.
 - Liable to 24%/18% CGT.
 - Potential loss of Pension Commencement Lump Sum (PCLS)/loss of tax-efficient wrappers to purchase property/cannot reinvest immediately back into ISAs.
 - Interest charges on mortgage (if used to fund purchase) / transaction costs on sale of shares/market timing/loss of growth.
 - Additional Council Tax charge on 2nd property/additional ongoing costs/extra protection costs/CGT may be due on 2nd property if 1st not sold (no PPR on 2nd home).
 - Reduced emergency fund/reduced Capacity for Loss (CFL).
- (d) *Candidates would have gained full marks for any fifteen of the following:*
- Can invest lump sum of £150K (not restricted by allowances).
 - No tax reporting required/no admin on Bond/no need for Self-Assessment (unless chargeable event triggered).
 - Can take tax-deferred withdrawals.
 - 5% of original sum/£7,500.
 - Cumulative.
 - Can invest in line with Attitude to Risk/wide fund choice/potential for growth.
 - No tax on fund switches.
 - Likely to be both Basic Rate Taxpayers (BRT) in retirement/Jenna is BRT.
 - Basic Rate Tax deducted within Bond/no further tax for Basic Rate Taxpayers.
 - Can use Personal Savings Allowance (PSA) (£1K each).
 - Could use Loan Trust.
 - Growth outside estate on Loan Trust/Loan Trust retains access to original capital.
 - Can assign segments of Bond to children (in future years).
 - Assignment is not a chargeable event/no Tax charge on assignment to children/Jenna/tax liability transfers to children/Jenna.
 - Can use top-slicing on segment surrender.
 - May not be considered for long-term care assessments.
- (e)
- Matches her planned retirement date.
 - She can change to a different target date fund if retirement date changes/she is planning to continue to work so may not draw benefits at age 67.
 - Active management/automatic switching/no input required.
 - May have higher charges.
 - Can invest in a wide range of asset classes.
 - Investment strategy designed to protect investment growth/reduced risk to preserve capital near retirement date.
 - Likely to be invested now in Fixed-Interest/cash.
 - Low potential for growth/low equity content now/inflation risk.
 - Attitude to Risk (ATR).
 - May not be suitable if she is using drawdown/may be suitable for annuity purchase.

- (f)
- Funds do not match Attitude to Risk (ATR)/too high risk.
 - Volatile.
 - Risk of capital loss/poor performance of shares.
 - Short time frame (retiring in 3 years/property purchase).
 - Lack of asset class diversification (all equity).
 - Limited UK exposure.
 - Concentration risk of single company shares.
 - Currency risk.
 - Political risk (on emerging market fund).
 - Not tax efficient/unused ISA allowances.
 - Sequencing risk (access needed for property purchase)/market timing risk.
 - Higher charges (no tracker funds).

Model answers for Question 2

- (a)
- Is Sally's income sufficient/identify essential/discretionary expenditure/childcare costs/required emergency fund.
 - Identify unnecessary expenditure/can they cut costs.
 - Debts/liabilities.
 - Interest rates on Cash Deposits/NS&I Income Bonds/yield on ISAs.
 - Can mortgage be switched to interest-only?
 - Options for mortgage payment holiday.
 - Are they willing to use their assets to fund shortfall.
 - Is Peter able to do any part-time work?
 - Financial support from family?/expected inheritances or gifts.
 - State Benefits/impact on Child Benefit.
 - Is Student Loan available/Grants/Bursaries?
 - How much Income Tax can he reclaim?/immediate reclaim needed.
 - Cost to rebroke life cover/Income Protection for Sally?/Loss of Death-in-Service (DIS) for Peter.
 - Is Sally willing to reduce employee pension contributions?
- (b)
- Make personal contributions.
 - Can contribute up to earned income for the current tax year.
 - 20% tax relief.
 - Minimum contribution available of £3,600/£2,880.
 - Make monthly contributions/Pound cost averaging.
 - Sally can contribute on Peters behalf (still restricted to £3,600)
 - Check National Insurance (NI) contribution (for State Pension)/make voluntary NI contributions (if full year not paid).
 - Cease pension contributions (lack of affordability).
- (c)
- Sally is still earning full salary.
 - Can they switch to interest-only/can they use offset mortgage?
 - Sabbatical is for a limited term of 12 months/known payments for 12 months can be covered.
 - They have accessible assets (cash and ISA).
 - Interest will continue to accrue.
 - Payment holiday increases outstanding mortgage/Increases overall debt/ lender fee for mortgage holiday arrangement.
 - Could extend term of mortgage.
 - Mortgage payments will be higher at end of payment holiday.
 - Credit file will be affected by payment holiday/credit file note could have negative impact.
 - Could make it harder to remortgage in future.

Candidates would have gained full marks for any fourteen of the following:

- (d)**
- Use ISA/Transfer Cash to ISA (£20K x 2).
 - Increase pension contributions.
 - Tax-free income and growth within Pension and ISA.
 - 40% tax relief (Sally) on pension contributions.
 - Peter can contribute up to earned income (April-June)/Minimum £3,600/£2,880 (net) contribution for Peter.
 - Pension contribution increases Sally's Basic Rate band/could reduce Peter to Non-Taxpayer.
 - Salary sacrifice for Sally.
 - National Insurance (NI) saving/Employer may share NI saving.
 - Peter to reclaim overpaid Income Tax (was paying 40%).
 - Transfer NS&I Income Bonds to Peter/transfer cash to Peter.
 - He has Personal Savings Allowance (PSA) of £1K/Sally has £500.
 - Peter may have Starting Rate Band of £5k.
 - Interest taxable at 40% on Sally/0%/20% for Peter.
 - Could claim Child Benefit/reduce high income Child Benefit charge/may be able to use Marriage Allowance.
 - Use NS&I Premium Bonds/tax free winnings.
- (e)**
- Decreasing term life assurance (DTA)/ Family Income Benefit (FIB)/Mortgage Decreasing Term Assurance.
 - Joint life first death.
 - Tax-free lump sum/tax-free monthly income.
 - Sum assured to match current mortgage.
 - Term to match mortgage term.
 - Sum assured decreases in line with mortgage debt (no excess cover).
 - In Trust.
 - Use of Trust avoids probate/protects children in event of both deaths/ speedy payment.
 - Guaranteed premiums.
 - Known cost/affordability.
 - Simple underwriting/ both in good health.
 - Low-cost policy/ Cheaper than current Level Term Assurance (LTA).
 - Waiver of Premium.
 - Pays premium in event of sickness.

- (f)
- Single asset class/all equities/lack of asset class diversification.
 - Will underperform the market due to charges/cannot outperform market/no active management/no Alpha.
 - Peter has no control over underlying investments.
 - Risk of capital loss/market risk/will perform poorly in falling market/volatility.
 - May not match his Capacity for Loss (on sabbatical).
 - Currency risk.
 - Political risk (Tariff risk).
 - Heavily weighted to largest global companies/concentration risk/large concentration in United States/ Technology shares.
 - Very likely to invest in armaments/does not match Environmental, Social and Governance (ESG).
- (g)
- Change in personal circumstances/health/more children.
 - Change in income/expenditure/tax status/debts/salary increases/has Peter returned to work?
 - Attitude to Risk (ATR)/Capacity for Loss (CFL).
 - Performance/rebalance/asset allocation/Environmental, Social and Governance (ESG).
 - Mortgage payment holiday taken/protection needs?
 - Use of tax allowances.
 - Charges.
 - Legislation/taxation/new products/economic conditions.

Glossary of terms

Some abbreviations candidates can you use in financial planning online exams:

- ATR – Attitude to risk
- APS – Additional Permitted Subscription
- BRT – Basic rate taxpayer
- BIK – Benefit in kind
- CETV – Cash equivalent transfer value
- CLT – Chargeable Lifetime Transfer
- CFL – Capacity for loss
- CGT – Capital Gains Tax
- DOV – Deed of variation
- DIS – Death-in-Service
- DFM – Discretionary Fund Manager
- EIS – Enterprise Investment Scheme
- ESG – Environmental, Social and Governance
- EPT – Excluded Property Trust
- EPA – Enduring Power of Attorney
- ERC – Early repayment charges
- EPP - Executive pension plan
- FAD – Flexi access drawdown
- FSCS – Financial Services Compensation Scheme
- FOS – Financial Ombudsman Service
- GAR – Guaranteed annuity rate
- HRT – Higher rate taxpayer
- IHT – Inheritance Tax
- IVA – Individual Voluntary Arrangement
- LPOA – Lasting Power of Attorney
- LTA – Lifetime allowance
- MVR – Market value reduction
- MPAA – Money purchase annual allowance
- NICs – National Insurance contributions
- NPA – Normal pension age
- NRA – Normal retirement age
- NRB – Nil rate band
- OPG – Office of the Public Guardian
- OEIC – Open ended investment company
- PAYE – Pay As you Earn
- PPP – Personal pension plan
- PCLS – Pension commencement lump sum
- PA – Personal Allowance
- PSA – Personal Savings Allowance
- RAC – Retirement annuity contract
- RNRB – Residence nil rate band
- SIPP – Self-invested personal pension plan
- SEIS – Seed Enterprise Investment Scheme
- TPD – Total Permanent Disability
- UFPLS – Uncrystallised funds pension lump sum
- VCT – Venture Capital Trust

April 2026 Exam - R06 Financial Planning Practice	
Question No.	Syllabus learning outcomes being examined
1.	<ol style="list-style-type: none"> 1. Obtain appropriate client information and understand clients' needs, wants, values and risk profile essential to the financial planning process. 2. Synthesise the range of client information, subjective factors and indicators to provide the basis for financial planning assumptions and decisions. 3. Analyse a client's situation and the advantages and disadvantages of the appropriate options. 4. Formulate suitable financial plans for action and explain and justify recommendations. 5. Implement, review and maintain financial plans to achieve the clients' objectives and adapt to changes in circumstances.
2.	<ol style="list-style-type: none"> 1. Obtain appropriate client information and understand clients' needs, wants, values and risk profile essential to the financial planning process. 2. Synthesise the range of client information, subjective factors and indicators to provide the basis for financial planning assumptions and decisions. 3. Analyse a client's situation and the advantages and disadvantages of the appropriate options. 4. Formulate suitable financial plans for action and explain and justify recommendations. 5. Implement, review and maintain financial plans to achieve the clients' objectives and adapt to changes in circumstances.

All questions in the April 2026 papers will be based on English law and practice applicable in the tax year 2025/2026, unless stated otherwise and should be answered accordingly.

INCOME TAX

RATES OF TAX	2024/2025	2025/2026
Starting rate for savings*	0%	0%
Basic rate	20%	20%
Higher rate	40%	40%
Additional rate	45%	45%
Starting-rate limit	£5,000*	£5,000*
Threshold of taxable income above which higher rate applies	£37,700	£37,700
Threshold of taxable income above which additional rate applies	£125,140	£125,140
High income child benefit charge:	1% of benefit per £200 of adjusted net income between £60,000 – £80,000	

*Only applicable to savings income that falls within the first £5,000 of income in excess of the personal allowance.

Personal savings allowance (for savings income):

Basic rate taxpayers	£1,000	£1,000
Higher rate taxpayers	£500	£500
Additional rate taxpayers	Nil	Nil
Dividend allowance	£500	£500
Dividend tax rates		
Basic rate	8.75%	8.75%
Higher rate	33.75%	33.75%
Additional rate	39.35%	39.35%

Trusts

Income exemption up to**	£500	£500
Rate applicable to trusts		
- dividends	39.35%	39.35%
- other income	45%	45%

** Where net income exceeds £500, the full amount is subject to Income Tax. Further, the £500 may need to be divided between other trusts in existence.

MAIN PERSONAL ALLOWANCES AND RELIEFS

Income limit for Personal Allowance §	£100,000	£100,000
Personal Allowance (basic) §	£12,570	£12,570
Married/civil partners (minimum) at 10% †	£4,280	£4,360
Married/civil partners at 10% †	£11,080	£11,270
Marriage Allowance	£1,260	£1,260
Income limit for Married Couple's Allowance †	£37,000	£37,700
Rent a Room scheme – tax free income allowance	£7,500	£7,500
Blind Person's Allowance	£3,070	£3,130
Enterprise Investment Scheme relief limit on £2,000,000 max***	30%	30%
Seed Enterprise Investment relief limit on £200,000 max	50%	50%
Venture Capital Trust relief limit on £200,000 max	30%	30%

§ The Personal Allowance reduces by £1 for every £2 of income above the income limit irrespective of age (under the income threshold).

† where at least one spouse/civil partner was born before 6 April 1935. Married couple's/civil partners' allowance reduced by £1 for every £2 of adjusted net income over £37,700 (£37,000 for 24/25) until minimum reached.

*** Investment above £1,000,000 must be in knowledge-intensive companies.

NATIONAL INSURANCE CONTRIBUTIONS

Class 1 Employee	Weekly
Lower Earnings Limit (LEL)	£125
Primary threshold	£242
Upper Earnings Limit (UEL)	£967

Total earnings £ per week	CLASS 1 EMPLOYEE CONTRIBUTIONS
Up to 242.00*	Nil
242.00 – 967.00	8%
Above 967.00	2%

**This is the primary threshold below which no NI contributions are payable. However, the lower earnings limit is £125 per week. This £125 to £242 band is a zero-rate band introduced in order to protect lower earners' rights to contributory State benefits e.g. the New State Pension.*

Total earnings £ per week	CLASS 1 EMPLOYER CONTRIBUTIONS
Below £96.00**	Nil***
Over £96.00	15%

***Secondary threshold.*

****No employer NICs on the first £967 pw for employees generally under 21 years, apprentices under 25 years and veterans in first 12 months of civilian employment. No employer NICs on the first £481 pw for employees at freeports and investment zones in Great Britain in the first 36 months of employment*

Employment allowance £10,500 Per business – not available if sole employee is a director

CLASS 2 (self-employed) *	
Flat rate per week	£3,50
Small profits threshold per year	£6,845
Class 2 contributions are credited automatically where profits equal or exceed £6,845 per annum.	
Class 2 contributions can be made voluntarily where profits are below £6,845 per annum.	

Class 3 (voluntary)	Flat rate per week £17.75.
Class 4 (self-employed)	6% on profits between £12,570 and up to £50,270. 2% on profits above £50,270.

PENSIONS

TAX YEAR	LIFETIME ALLOWANCE
2012/2013 & 2013/2014	£1,500,000
2014/2015 & 2015/2016	£1,250,000
2016/2017 & 2017/2018	£1,000,000
2018/2019	£1,030,000
2019/2020	£1,055,000
2020/2021 – 2023/2024*	£1,073,100

*Lifetime allowance abolished from 6 April 2024.

	2024/2025	2025/2026
Lump sum and death benefit allowance (LSDBA)	£1,073,100	£1,073,100
Lump sum allowance (LSA)	£268,275	£268,275

LSA and LSDBA may be higher if transitional protections are available.

Where pension benefits were crystallised prior to 6 April 2024 the LSA and LSDBA may be reduced.

Money purchase annual allowance	£10,000	£10,000
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ANNUAL ALLOWANCE	
TAX YEAR	ANNUAL ALLOWANCE
2014/2015 – 2022/2023	£40,000*
2023/2024	£60,000**
2024/2025	£60,000**
2025/2026	£60,000**

*Between 2016/17 and 2019/20 the annual allowance is reduced by £1 for every £2 of 'adjusted income' over £150,000 to a minimum of £10,000 where 'threshold income' is over £110,000.

*Between 2020/21 and 2022/23 the annual allowance is reduced by £1 for every £2 of 'adjusted income' over £240,000 to a minimum of £4,000 if 'threshold income' is also over £200,000.

**From 2023/24 the annual allowance is reduced by £1 for every £2 of 'adjusted income' over £260,000 to a minimum of £10,000 if 'threshold income' is also over £200,000.

ANNUAL ALLOWANCE CHARGE
20% – 45% determined by the member's taxable income and the amount of total pension input in excess of the annual allowance or money purchase annual allowance.

CAPITAL GAINS TAX

ANNUAL EXEMPTIONS	2024/2025		2025/2026
Individuals, estates etc	£3,000		£3,000
Trusts generally	£1,500		£1,500
Chattels proceeds (restricted to five thirds of proceeds exceeding limit)	£6,000		£6,000
TAX RATES	Pre	Post	2025/2026
	30/10/2024		
Individuals:			
Up to basic rate limit	10%	18%	18%
Above basic rate limit	20%	24%	24%
Surcharge for residential property - Basic Rate	8%	n/a	0%
Higher Rate	4%	n/a	n/a
Surcharge for carried interest**	8%	4%	**32%
Trustees and Personal Representatives:			
Residential property	24%	24%	24%
Other chargeable assets	20%	24%	24%
Business Asset Disposal Relief*		10%	14%
Lifetime limit		£1,000,000	£1,000,000

*For trading businesses and companies (minimum 5% employee or director shareholding) if held for at least two years.

** For 25/26, rate for carried interest for all tax bands is 32%

INHERITANCE TAX

RATES OF TAX ON TRANSFERS	2024/2025	2025/2026
Transfers made on death		
- Up to £325,000 (nil-rate band)	Nil	Nil
- Excess over £325,000	40%	40%
- Reduced rate (where appropriate charitable contributions are made)	36%	36%
Transfers		
- Lifetime transfers to and from certain trusts	20%	20%
MAIN EXEMPTION		
Transfers to		
- Long-term UK resident spouse/civil partner	No limit	No limit
- Spouse/civil partner who is not a long-term UK resident (from long-term UK resident spouse/civil partner)	£325,000	£325,000
- UK-registered charities	No limit	No limit
- Residence nil rate band*	£175,000	£175,000

*Available for estates up to £2,000,000 and then tapered at the rate of £1 for every £2 in excess until fully extinguished.

Lifetime transfers		
- Annual exemption per donor	£3,000	£3,000
- Annual small gifts exemption per donor	£250	£250

Gifts from surplus income are immediately exempt, as long as they are made from income, are made regularly and do not impact donor's standard of living.

Wedding/civil partnership gifts by		
- parent	£5,000	£5,000
- grandparent/bride and/or groom	£2,500	£2,500
- other person	£1,000	£1,000

100% relief: businesses, unlisted/AIM companies, certain farmland/building

50% relief: certain other business assets

Reduced tax charge on gifts made in excess of the nil rate band within 7 years of death:

- Years before death	0-3	3-4	4-5	5-6	6-7
- Inheritance Tax payable	100%	80%	60%	40%	20%

Quick succession relief:

- Years since IHT paid	0-1	1-2	2-3	3-4	4-5
- Inheritance Tax relief	100%	80%	60%	40%	20%

MAIN SOCIAL SECURITY BENEFITS

		2024/2025	2025/2026
		£ (per week)	£ (per week)
Child Benefit	First child	25.60	26.05
	Subsequent children	16.95	17.25
	Guardian's allowance	21.75	22.10
Employment and Support Allowance	Assessment Phase	Up to 71.70	Up to 72.90
	Age 16 - 24		
	Aged 25 or over	Up to 90.50	Up to 92.05
	Main Phase		
	Work-related Activity Group	Up to 126.45	Up to 128.60
	Support Group	Up to 138.20	Up to 140.55
Attendance Allowance	Lower rate	72.65	73.90
	Higher rate	108.55	110.40
Basic State Pension	Category A full rate	169.50	176.45
	Category B (lower) full rate	101.55	105.70
New State Pension	Full rate	221.20	230.25
Pension Credit	Standard minimum guarantee - single	218.15	227.10
	Standard minimum guarantee - couple	332.95	346.60
	Maximum savings ignored in calculating income	10,000.00	10,000.00
Bereavement Support Payment	Higher rate – First payment	3,500.00	3,500.00
	Higher rate – monthly payment	350.00	350.00
	Lower rate – First payment	2,500.00	2,500.00
	Lower rate – monthly payment	100.00	100.00
Jobseeker's Allowance	Age 18 - 24	71.70	72.90
	Age 25 or over	90.50	92.05
Statutory Maternity, Paternity and Adoption Pay		184.03	187.18

CORPORATION TAX

	2024/2025	2025/2026
Small profit rate - for taxable profits below £50,000	19%	19%
Main rate - for taxable profits above £250,000	25%	25%
Companies with profits between £50,000 and £250,000 will pay tax at the effective rate of 26.5%.		
This provides a gradual increase in the effective Corporation Tax rate.		

VALUE ADDED TAX

	2024/2025	2025/2026
Standard rate	20%	20%
Annual registration threshold	£90,000	£90,000
Deregistration threshold	£88,000	£88,000

STAMP DUTY LAND TAX

	Residential
Value up to £125,000	0%
£125,001 - £250,000	2%
£250,001 - £925,000	5%
£925,001 - £1,500,000	10%
£1,500,001 and over	12%

Additional Stamp Duty Land Tax (SDLT) rules apply as follows:

- *First-time buyers benefit from SDLT relief on first £300,000 for properties up to £500,000 when purchasing their main residence. On purchases up to £300,000, no SDLT is payable. On purchases between £300,001 and £500,000, a flat rate of 5% is charged on the balance above £300,000.*
- *Additional SDLT of 5% may apply to the purchase of additional residential properties purchased for £40,000 or greater.*
- *Additional SDLT of 2% may apply to purchases by non-UK residents over £40,000.*
- *SDLT may be charged at 17% on interests in residential properties costing more than £500,000 purchased by certain corporate bodies or non-natural persons.*
- *SDLT is payable in England and Northern Ireland only. Land Transaction Tax (LTT) is payable in Wales and Land and Buildings Transaction Tax (LBTT) is payable in Scotland. The rates for LTT and LBTT are different to the rates shown above.*

	Non residential
Value up to £150,000	0%
£150,001 and £250,000	2%
£250,001 and over	5%