

# R04 Pensions and retirement planning 2025/2026



## Learning Outcome

## Assessment Criteria

## Indicative Content

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1  5 Standard Questions	Understand the political, economic and social environment factors which provide the context for pensions planning.	1.1	Describe the role of Government, policy direction, challenges and reforms.	1.1.1	Role of Government, policy direction, challenges and proposed reforms, guidance guarantee.
		1.2	Describe corporate responsibilities, their challenges and impact on pension planning.	1.2.1	Corporate responsibilities, challenges and impact on pension provision.
		1.3	Describe demographic trends longevity and the ageing population.	1.3.1	Demographic trends, longevity and ageing population.
		1.4	Describe incentives, disincentives and attitudes to saving.	1.4.1	Incentives, disincentives and attitudes to saving.
		1.5	Explain the main pension scheme types and methods of pension provision.	1.5.1	State pension benefits.
				1.5.2	Defined Benefit (DB) schemes, funding and benefits.
				1.5.3	Defined Contribution (DC) schemes, funding and benefits.
2  10 Standard Questions	Understand how the HM Revenue and Customs (HMRC) tax regime applies to pensions planning.	2.1	Explain how the HMRC tax regime applies to pensions planning: <ul style="list-style-type: none"><li>• Contributions and tax relief.</li><li>• Pension scheme investment funds.</li><li>• Transitional reliefs.</li><li>• Retirement benefits.</li><li>• Death benefits.</li></ul>	2.1.1	Funding/contributions to registered pension schemes, tax relief provision.
				2.1.2	Pension scheme investment funds.
				2.1.3	Death benefits before and after age 75.
				2.1.4	Pension scheme retirement benefits.
				2.1.5	Outline of relevant transitional reliefs.
		2.2	Explain how the following are applied: <ul style="list-style-type: none"><li>• Annual allowances.</li><li>• Tapering of the annual allowance.</li><li>• Associated charges.</li></ul>	2.2.1	Outline of the annual allowance, money purchase annual allowance and associated charges.
		2.3	Outline the tax treatment of other types of schemes.	2.3.1	Qualifying Recognised Overseas Pension Schemes (QROPS). Tax treatment for non-resident members.

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3 4 Standard Questions	Understand the relevant aspects of pensions law and regulation to pensions planning.	3.1	Explain the relevant aspects of pensions law and regulation.	3.1.1	The Pensions Regulator compliance requirements.
				3.1.2	Pension protection schemes.
				3.1.3	Trust and contract-based pensions.
				3.1.4	Pensions and divorce.
				3.1.5	Employment law relevant to pensions.
				3.1.6	Bankruptcy law and pension assets.
				3.1.7	Workplace pension rules, automatic enrolment requirements, eligibility and contribution levels, master trust schemes including NEST and The People's Pension.
		3.2	Describe the role and duties of trustees and administrators of pension schemes.	3.2.1	Role and duties of trustees and administrators.
4 7 Standard Questions	Understand the structure, characteristics and application of Defined Benefit (DB) schemes to an individual's pension planning.	4.1	Describe the main types, attributes and benefits of DB pension provision, including the rules and operation of DB schemes.	4.1.1	Main attributes and benefits of DB pension provision.
				4.1.2	Main types, variations and hybrids.
				4.1.3	Rules and operation of DB schemes.
		4.2	Outline the funding methods and related issues.	4.2.1	Outline of funding methods and related issues.
		4.3	Explain the role of trustees and other parties, including scheme reporting.	4.3.1	Roles of trustees and other parties, and scheme reporting.
		4.4	Describe the factors to consider and the benefits on leaving, early and normal retirement, including the main transfer issues in broad terms.	4.4.1	Factors to consider and benefits on leaving, early and normal retirement.
				4.4.2	Transfer issues in broad terms.
		4.5	Explain the benefits available on ill health and death.	4.5.1	Benefits on ill health and death.
		4.6	Explain eligibility and top-up options.	4.6.1	Eligibility criteria and top-up options.
		4.7	Describe the structure, main attributes and benefits of public sector schemes.	4.7.1	Public sector schemes, transfer issues.

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5 4 Analytical Questions  2 Multiple Response	Analyse the range of Defined Contribution (DC) scheme options as they apply to an individual's pension planning.	5.1	Analyse the types of DC schemes, their main attributes and benefits.	5.1.1	Main attributes and benefits of DC pension provision.
				5.1.2	Main types of DC schemes and their rules and operation.
				5.1.3	Contributions – methods and issues.
				5.1.4	Scheme options, limitations and restrictions.
		5.2	Explain the legal bases of DC schemes and their impact on an individual's pension planning.	5.2.1	Legal bases for schemes and main impacts.
6 5 Analytical Questions  4 Multiple Response	Analyse the options and factors to consider for drawing pension benefits.	6.1	Analyse the options to consider in drawing State Retirement Benefits.	5.3.1	Benefits on leaving and death before and after age 75.
				5.4.1	Transfer issues and considerations.
		6.2	Analyse the options available from DB schemes for drawing pension benefits.	6.1.1	State retirement benefits.
				6.1.2	Timing of decisions and implementation.
				6.2.1	Scheme benefits, payment guarantees, survivor benefits.
				6.3.1	Secured pensions, types of annuities and main features.
				6.3.2	Drawdown pensions – capped and flexi access, short term annuities.
				6.3.3	Compliance requirements.
				6.3.4	Uncrystallised funds pension lump sum (UFPLS).
		6.4	Analyse the suitability of phased retirement.	6.4.1	Phased retirement – options, benefits and risks of using annuitisation, flexi-access or UFPLS to produce income.
		6.5	Explain the small pots and trivial commutation rules.	6.5.1	Small pots, trivial commutation rules.
7 4 Standard Questions	Explain the structure, relevance and application of the State Schemes to an individual's pension planning.	7.1	Explain the structure, relevance and application of State Retirement Benefits, State Death Benefits and the Pension Credit framework as part of an individual's pension planning.	7.1.1	State retirement benefits, historic and current, in outline.
				7.1.2	Pension Credit framework in outline.
				7.1.3	State death benefits.



Learning Outcome		Assessment Criteria		Indicative Content	
8	Evaluate the aims and objectives of retirement planning including the relevant investment issues.	8.1	Evaluate the aims and objectives of retirement planning in relation to: <ul style="list-style-type: none"><li>• An individual's aims objectives and circumstances.</li><li>• Investments available to meet these objectives.</li><li>• Alternative sources of retirement income.</li><li>• Regular reviews and the factors affecting them.</li><li>• Asset allocation factors.</li><li>• The main characteristics of self-investment.</li></ul>	These standards build on the content outlined in the Investment Principles and Risk core unit and assume achievement of the learning outcomes.	
5 Multiple Response				Assessing and quantifying retirement aims and objectives:	
				8.1.1.1	Availability and prioritisation of savings.
				8.1.2	Assumptions and impacts.
				8.1.3	Conflict with other objectives.
				8.1.4	Timescales and risk.
				8.1.5	Inheritance Tax (IHT) / generational planning.
				8.1.6	Cash flow/ stress testing.
				Investments available to meet this objective:	
				8.1.7	Suitability and risk.
				8.1.8	Rates of return needed.
				8.1.9	Accumulation and decumulation strategies, life-styling.
				8.1.10	Products and wrappers, advantages and constraints, critical yield.
				8.1.11	Other sources of non-pension income.
				8.1.12	Asset allocation factors, relationship to overall portfolio.
				Self investment:	
				8.1.13	Main characteristics.
				Alternative solutions for pension income:	
				8.1.14	Alternative sources of capital including non-pension investment assets, home equity, proceeds from sale of a business, inheritance.
				8.1.15	Advantages and drawbacks.
				8.1.16	Factors affecting regular reviews.