

Learning Outcome

Assessment Criteria

Indicative Content

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1 1 Question	Know HM Revenue & Customs requirements for registering pension schemes.	1.1	Describe HMRC requirements for registering pension schemes, their powers and reporting requirements.	1.1.1	The HMRC requirements for registering pension schemes.
				1.1.2	The HMRC powers and reporting requirements for schemes and members.
2 1 Question	Know the relevant financial regulators' rules.	2.1	Describe the relevant regulatory rules.	2.1.1	Illustrations and key features documents.
				2.1.2	Cancellation rights, opt out rights.
				2.1.3	Dispute and complaint resolution rules.
3 1 Question	Know the requirements for disclosure of information.	3.1	Describe the requirements for the disclosure of information.	3.1.1	Requirements under current pension legislation – charges and adviser remuneration.
4 1 Question	Know the procedures for the referral of complaints.	4.1	Describe the relevant parties and timescales for dealing with complaints and how they relate to each other.	4.1.1	The role of trustees, MoneyHelper, and The Pensions Regulator.
				4.1.2	The Pensions Ombudsman and the Financial Ombudsman Service: what each scheme can consider, and how they interrelate with one another.
5 5 Questions	Know the basic principles of pension taxation.	5.1	Describe the tax treatment of contributions, pension funds, benefits and payments, the basic principles of salary sacrifice, pension contribution refunds, and perform appropriate calculations.	5.1.1	The tax treatment of pension contributions made by employees, employers, the self-employed and third parties, including the impact of the annual allowances.
				5.1.2	The three-year carry forward rule.
				5.1.3	The tax treatment of the pension fund.
				5.1.4	The tax treatment when benefits are taken and on death.
				5.1.5	The tax treatment of payments, including unauthorised payments and benefits in kind.
				5.1.6	The principles of salary sacrifice.
				5.1.7	How pension and lump-sum rights are protected by transitional arrangements.
				5.1.8	The tax treatment of refunds of contributions.

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6 5 Questions	Know the key features of the basic pension product types.	6.1	Describe the key features of pension products within the HMRC regime.	6.1.1	Pension products.
				6.1.2	The options when benefits are taken.
				6.1.3	Interaction between State Pension provision and private pension schemes.
7 10 Questions	Know the key features of workplace pensions.	7.1	Describe the key features and administration procedures for pension schemes facilitated by employers for their employees.	7.1.1	Key features of and differences between group pension schemes: defined benefit and defined contribution including GPPs.
				7.1.2	The distinction between employer trust, master trust and contract-based schemes.
				7.1.3	Individual compared to group: key differences and implications.
				7.1.4	The role and responsibilities of trustees.
				7.1.5	Employer and employee regular or single premiums.
				7.1.6	Payment deadline dates for employee contributions collected by the employer.
				7.1.7	Registration of schemes.
				7.1.8	The options for early leavers.
				7.1.9	Refunding employee and employer contributions.
				7.1.10	Key issues regarding defined benefit schemes – the statutory funding objective, the statement of funding principles, the triennial valuation.
		7.2	Describe the main issues and administration procedures for automatic enrolment into workplace pensions.	7.2.1	Employers' automatic enrolment requirements and procedures.
				7.2.2	Postponement.
				7.2.3	Cyclical re-enrolment.
				7.2.4	Employee eligibility requirements.
				7.2.5	Employers' requirement to provide information.
				7.2.6	Qualifying schemes.
				7.2.7	Multi-employer schemes.

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8 2 Questions	Know the main pension policy administration issues.	8.1	Describe the main issues and compliance procedures arising in the arrangement of pensions.	8.1.1	Key stages from application to policy issue and documentation to which customers are entitled.
				8.1.2	Disclosure of adviser charges.
				8.1.3	Information contained within illustrations and key features documents.
				8.1.4	Legal capacity to take out a pension, jurisdiction, capacity to contract.
				8.1.5	Compliance procedures required when arranging a pension plan, e.g. cancellation periods, key features.
9 6 Questions	Understand the administration of pension policies.	9.1	Describe the main issues arising in the administration of pensions.	9.1.1	Alteration, annual statements and projections.
				9.1.2	Waiver of contributions and contribution protection.
				9.1.3	Paid up pensions.
				9.1.4	Fund switching, redirection, lifestyling and target date.
				9.1.5	Pension loans and borrowing.
				9.1.6	Additional / fluctuating payments.
				9.1.7	Transfers in and out (from one scheme to another) including in-specie transfer.
				9.1.8	Requirements on death.
10 1 Question	Know the principles of medical underwriting.	10.1	Describe the principles of medical underwriting.	9.1.9	The administration of self-investment options.
				10.1.1	Impact on underwritten annuities.
				10.1.2	Life assurance under registered pension schemes, group life insurance schemes and contribution protection.
11 2 Questions	Understand the main features of unit linking.	11.1	Describe the main features of unitised funds.	10.1.3	Access to Medical Reports Act 1988 and Access to Medical Records Act 1990.
				11.1.1	The principles of how unit linking works.
				11.1.2	Different pricing bases, including exit penalties and valuation of policies.
				11.1.3	Allocation rates, charges, capital/initial units and accumulation units.
				11.1.4	The effect of charges on investment returns – reduction in yield.

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12 2 Questions	Understand the main features of with-profits.	12.1	Describe the main features of with profits funds.	12.1.1	How it works: the principle of smoothing.
				12.1.2	Market value reductions.
				12.1.3	Operating structure, e.g. interim, reversionary and terminal bonuses.
				12.1.4	The distinction between unitised with profits and traditional with profits, including valuations.
				12.1.5	The differences between unit-linked and with profits.
13 2 Questions	Know the different methods of payment and the consequences of non-payment.	13.1	Describe the different methods and ways of payment and the consequences of non-payment.	13.1.1	The parties responsible for collecting payment with each type of pension contract.
				13.1.2	Collection methods: direct debits, standing orders, direct debit guarantees, payment by cheque, cash, debit cards.
				13.1.3	Issues with different types of payment method.
				13.1.4	Transfers.
				13.1.5	Regular payments and single premium payments.
14 9 Questions	Understand pension claims and the options available when taking benefits.	14.1	Describe the different types of benefits payable and the different ways of drawing benefit, including relevant calculations and administrative requirements.	14.1.1	The options for taking pension benefits: <ul style="list-style-type: none"> • Pension commencement lump sum: availability. • The secured income option. • Drawdown pension options. • UFPLS.
				14.1.2	Death benefits: what is payable, to whom and the documentation required.
				14.1.3	Rules governing early retirement on ill health grounds and the benefits available.
				14.1.4	Issues relating to guaranteed minimum pensions.
				14.1.5	Transitional protection of benefits.
				14.1.6	Proof /evidence of age.
				14.1.7	Waiver of contributions and contribution protection benefit claims.
				14.1.8	Transfer requests: legal requirements, what can be transferred and where.

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15 1 Question	Understand how pension benefits are treated on divorce.	15.1	Describe the duties and rights of schemes and members when pensions are subject to a divorce settlement and perform appropriate calculations.	15.1.1	Duties and rights of schemes and members in relation to how pension benefits can be treated on divorce, e.g. earmarking, pension sharing.
16 1 Question	Understand the use of trusts in pension policies.	16.1	Describe the role and operation of trusts in pension administration and the relevant powers, rights and responsibilities of each party to a trust.	16.1.1	The role of trusts in pension administration and the types of pension / benefits which can be placed under trust.
				16.1.2	How to deal with trusts.
				16.1.3	The rights and responsibilities of the different parties to a trust.
				16.1.4	Amendments to trusts – exercising options.
				16.1.5	The powers of trustees.