September 2025 Exam - J05 Pension income options		
Question No.	**Syllabus learning outcomes being examined**	
1.	1.1 1.4	Lifetime allowance (LTA) abolishment, valuation factors, transitional reliefs; Relevant benefit crystallisation events (RBCEs), including valuations and calculations;
2.	1.2	Pension age, including the minimum pension age, contractual and protected retirement ages;
3.	1.6	Requirements for drawing benefits on the grounds of ill health health and interaction with the Lump Sum and Death Benefit Allowance (LSDBA);
4.	2.3/ 3.3/ 4.3	The benefits payable on death and their tax treatment, including the Lump Sum and Death Benefit Allowance (LSDBA).
5.	2.2 3.1 7.6	Annuities: annuity market and types of annuities, including conventional, flexible, investment linked, enhanced and impaired life; Definition, HMRC requirements, and main features, including capped drawdown, flexi-access drawdown (FAD), short-term annuities, and the risks of nonannuity pension options; Identifying the annuity options which may be suitable for the client;
6.	4.1	Phasing retirement using secure and flexible options, including flexi-access drawdown, capped drawdown, uncrystallised funds pension lump sum (UFPLS), including the Lump Sum Allowance (LSA) and Lump Sum and Death Benefit Allowance (LSDBA) and annuities;
7.	4.1 7.4	Phasing retirement using secure and flexible options, including flexi-access drawdown, capped drawdown, uncrystallised funds pension lump sum (UFPLS), including the Lump Sum Allowance (LSA) and Lump Sum and Death Benefit Allowance (LSDBA) and annuities; The choice between the different methods for drawing a pension income and/or lump sum and the Income Tax planning considerations (both State and private);
8.	2.2 5.1	Annuities: annuity market and types of annuities, including conventional, flexible, investment linked, enhanced and impaired life; FCA – Conduct of Business Sourcebook (COBS), including pensions guidance, retirement risk warnings, illustrations and investment pathways;
9.	5.2	Money and Pension Service guidance body, including Pension Wise and the guidance guarantee;
10.	6.1 6.3 6.7	The new State Pension: calculating the foundation amount, eligibility through National Insurance contributions and credits, amounts payable and annual increases; State Pension age (SPA): equalisation of male and female ages and subsequent increases to SPA; Payment of State retirement benefits to pensioners living overseas;
11.	7.1	The importance of establishing a client's personal and financial circumstances and requirements including, attitude to investment risk, capacity for loss, longevity including life expectancy probability and investment strategies in retirement;

12.	7.2 7.3	The factors that should be considered when advising on the suitability or otherwise of a transfer out of a defined benefit scheme at the point of retirement including: Personal recommendation; Appropriate Pension Transfer Analysis (APTA) & Transfer Value Comparator (TVC); Attitude to transfer risk; Safeguarded and non safeguarded benefits, including money purchase AVCs; The factors that should be considered when advising on the suitability or otherwise of a transfer between money purchase arrangements, including: Guaranteed annuity rates (GAR); Protected tax free cash; Flexibility options within the contracts; Investment choices, including discretionary fund managers;
13.	7.5	The importance of cashflow modelling, including stress testing, life expectancy, sequencing risk and the safe withdrawal rate;
14.	7.7	Intergenerational planning: nominations, Inheritance Tax planning, spousal bypass trusts;
15.	7.10	The factors to be taken into account during annual reviews.