Taxation, Retail Investment and Pensions Unit

Aim:
To develop an understanding of the nature of pension arrangements, retail investments together with the fundamentals of the UK tax system.

1. **demonstrate an understanding** the origins and overview of retirement provision

   *explain* the following aspects:
   - State
   - workplace
   - individual

2. **demonstrate an understanding** of the context and the factors which currently influence retirement saving in the UK

   *identify* changes to State pension age and State benefits
   *describe* balancing work, retirement and income and *explain* flexible retirement
   *describe* long term care
   *define* the impact of demographics
   *outline* changing social trends and *explain* the competition for income

3. **describe** the options available for retirement saving

   *outline* the features of
   - ISAs
   - property
   - pensions, including SIPPs

   *outline* the features of
   - corporate wraps

   *explain* the different types of individual pension contracts
   - personal
   - securing benefits
   - additional voluntary contributions

4. **understand** the main features of employee engagement with saving for retirement

   *outline* the importance of effective communication and identify the different methods
   *distinguish* between statutory disclosure requirements and those arising from best practice
   *distinguish* between the concepts of advice and guidance

5. **explain** the main features of automatic enrolment and re-enrolment

   *describe* automatic enrolment and contractual enrolment
define jobholders and workers
identify qualifying earnings and pay reference periods
identify qualifying schemes and automatic enrolment schemes
explain phasing in and staging
describe the communication requirements and timescales
describe re-enrolment
explain compliance and the Pensions Regulator

6. distinguish between the different methods of providing and delivering pensions and the different benefits and options

identify the essential features, legal structure, delivery model and characteristics of workplace pension schemes
evaluate occupational pension schemes, personal pensions, stakeholders and SIPPs
identify universal automatic enrolment schemes including master trusts and their roles
explain the roles of the employer, trustees, providers, and employer and provider governance committees

7. understand the context and the main types, and principal features, of workplace pension schemes found in both the private and public sectors, and explain the difference between insured and self administered schemes

define public sector benefit structure
describe private sector benefit structures
describe master trusts
describe cross border schemes
identify the features of insured schemes
identify the characteristic features of self administered schemes
identify the features of executive pension arrangements and employer financed retirement benefit schemes

8. analyse a registered pension scheme and the advantages conferred by registered scheme status

outline the Finance Act 2004
describe the advantages for
  • contributions
  • investment
  • benefits (retirement and death)

9. understand the context of the principal features of the current tax regime governing registered pension schemes

define BCEs and the Lifetime Allowance
outline the features of the Annual Allowance
identify authorised and unauthorised payments

10. understand the tax treatment of unregistered schemes

define Employer Funded Retirement Benefit Schemes
define Qualifying Recognised Overseas Pension Schemes
11. **outline** the various benefit crystallisation events when an individual leaves a workplace pension scheme and **understand** the advantages and disadvantages, administrative requirements including the provision of guidance and risks associated with different benefit options

**describe** the options on early leaving, refunds, deferred benefits, transfers (in and out)

**define** the options before retirement, including redundancy and ill-health

**identify** the benefits payable on death

**explain** the options available arising from divorce

**describe** the retirement options:
- ill-health retirement
- phased retirement
- flexible retirement
- lump sum options including trivial commutation
- income drawdown (capped & flexible)
- different types of annuities

12. **understand** the context of the UK tax system and its impact on individuals and trusts, including liability, collection and computation

**describe** the main features of:
- Income Tax
- National Insurance
- Capital Gains Tax
- Inheritance Tax
- Stamp Duty
- VAT
- Corporation Tax

13. **analyse** the nature of the macro economic environment

**describe** the main economic trends and **explain** the globalisation of markets

**explain** the concept of economic and financial cycles and **define** the key economic indicators

**describe** monetary and fiscal policy

**explain** the balance of payments

**define** the role of financial investment

14. **understand** the context of the principal asset classes

**define** the characteristics of:
- equities (UK and Overseas)
- bonds (fixed interest and index linked)
- cash
- property
- alternative investments
- asset allocation

15. **understand** the context and the characteristics and taxation of retail financial products

**explain** the characteristics and taxation of:
- direct and indirect investments
- pooled vehicles
- derivatives
• venture capital trusts
• investment trusts
• with profits funds

16. **evaluate** the needs and priorities for financial protection

**analyse** priorities and choices and current and future capital and income requirements

**explain** product suitability and other planning considerations

**explain** the concept of reviews

17. **evaluate** the main types and uses of financial protection policies

**describe** the role of insurance and the characteristics of:

• income protection schemes
• life assurance and pension based policies
• critical illness cover
• personal accident insurance
• payment protection insurance
• long term care
• key person cover
• health care schemes

**explain** the concept of regular reviews

18. **understand** the taxation of financial protection policies

**explain** the main features of the taxation of qualifying and non qualifying policies and life funds

19. **understand** the principal State benefits

**describe the** main types of State benefit and the limitations of State benefits

01 02 16