

# **Pensions Management Institute**

# **Level 4 Certificate in**

# **Pensions Calculations**

603/7165/1

## Contact the PMI

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## Change Log

<b>Date</b>	<b>Details of Change</b>	<b>'From' date applicable</b>	<b>Learners applicable</b>
01/06/2025	Unit exam duration. Changed to; <ul style="list-style-type: none"><li>90-minute exam per unit.</li></ul>	01/01/2026	All active learners
01/06/2025	Unit exam assessment. Changes made to; <ul style="list-style-type: none"><li>Number of case studies per exam</li><li>Removal of 'writing a letter' and replaced with 'analysis of pre-written letter(s)'. </li></ul>	01/01/2026	All active learners

## About PMI

Founded in 1976, the Pensions Management Institute (PMI) is the UK's largest and most recognisable professional body for employee benefits and retirement savings professionals, supporting over 6,500 members.

PMI's members, represented throughout the UK, are responsible for managing and advising some of the largest institutions in the world, accounting for £1trillion invested in pensions. We promote excellence through a range of services for the benefit of members, the wider economy and, with over ten million now saving through automatic enrolment, society as a whole.

The purpose of the PMI is "To set and promote standards of excellence and lifelong learning for employee benefits and retirement savings professionals and trustees through qualifications, membership and ongoing support services".

To achieve this, the PMI:

- Promotes and embeds professional standards, setting the benchmarks for best practice in the employee benefits and retirement savings industry
- Produces qualifications that have a reputation for excellence and which ensure employee benefits and retirement savings professionals, whether they are scheme managers, consultants, administrators or trustees, are educated to the very highest standards and with knowledge of the very latest legislation
- Provides continued lifelong learning designed to strengthen the knowledge and skills of employee benefits and retirement savings practitioners in performing to the best of their ability
- Plays a pivotal role in shaping the industry, working with government and collaborating with other bodies on research and thought leadership on key issues
- Presents an annual conference and a wide range of technical seminars to cater for those starting out in the pensions industry through to highly experienced pensions professionals
- Provides industry-leading insight, including a 'Pensions Aspects' monthly magazine, PMI TV, newsletters and blogs to keep practitioners abreast of the very latest developments in a rapidly changing industry
- Proactively has a voice in mainstream and social media, with a presence on Twitter and LinkedIn.

## PMI Qualifications

The PMI is the UK's leading professional body for those working in the field of employee benefits and retirement savings. It supports and develops the experts who are responsible for running the UK's pensions industry and is acknowledged as the body for establishing, maintaining and improving professional standards in every area of pension scheme management, consultancy and trusteeship.

PMI qualifications are recognised for both their depth and their standing within the pensions industry. If you choose to take a single-unit, standalone qualification, or if you choose to take a multi-unit qualification over a number of years, then that qualification is recognised by the pensions industry as having the depth and rigor to demonstrate the knowledge and expertise of those taking it.

## Syllabuses

Each syllabus area is presented in a form which is intended to give an indication of the depth and breadth of knowledge required. Each syllabus area is divided into sections with an initial statement, or learning outcome, indicating what is expected of learners and some notes detailing the way in which the initial statement should be interpreted.

The initial statement and notes use key words in heavy type to indicate the depth and / or breadth of knowledge required. The key words should be interpreted as follows:

- **analyse** – interpret and examine in detail define – make clear the exact meaning
- **demonstrate** - explain or prove by reasoning / example
- **describe** - give a detailed account of/mark the difference between / determine the value explain - make clear or intelligible / illustrate the meaning of
- **identify** - demonstrate what something is
- **outline** - brief general explanation / summary without detail understand – comprehend / have a thorough knowledge of

This is then further broken down into Assessment Criteria. Assessment Criteria are descriptive statements that provide learners and instructors with information about the qualities, characteristics, and aspects of a given learning task. Fundamentally, they specify clearly the standards that must be met and what evidence should be used to show achievement of learning outcomes.

## Support and Recognition

These qualifications have been developed with the support of individuals and organisations within the pensions sector and from all industry bodies that support the sector in the United Kingdom.

## Qualification Aim

Suitable for pension scheme administrators working in either defined benefit (DB) or defined contribution (DC) schemes, or both. Designed to demonstrate a learner's competence in the calculating and quoting of benefits of defined benefit and defined contribution schemes.

## Qualification Abstract

The syllabus of each of the units is presented in a form which is intended to give an indication of the depth and breadth of knowledge required. Each syllabus is divided into sections with an initial statement, or learning outcome, indicating what is expected of learners and some additional guidance notes detailing the way in which the initial statement should be interpreted.

The first four units (Level 3) of this qualification can be undertaken as part of the Workplace Pensions (WPP) Apprenticeship. Full details can be found on the PMI website.

## Prerequisites

There are no formal prerequisites for this qualification, neither in terms of prior qualifications nor in terms of prior knowledge and experience. However, it is anticipated that most learners will be working in the pensions industry in some capacity. For example, some learners will have undertaken the PMI Award in Pensions Essentials (APE) or Certificate in Pensions Essentials (CPE).

## Accreditation of Prior Learning

None applicable.

## Regulation

This qualification is regulated by Ofqual, appears in the Register of Regulated Qualifications, [the details of which can be found here](#).

## Qualification Level

This qualification has been benchmarked at level 4 in the Regulated Qualification Framework (RQF).

## Qualification Structure

This qualification comprises seven units.

Unit	Description	Level
1	Calculate and Quote Pension Scheme Death Benefits for Members without Special Circumstances	3
2	Calculate and Quote Pension Scheme Leaver Benefits for Members without Special Circumstances	3
3	Calculate and Quote Pension Scheme Retirement Benefits for Members without Special Circumstances	3
4	Calculate and Quote Pension Scheme Transfer In Benefits and Transfer Out Benefits for Members	3
5	Calculate and Quote Pension Scheme Death Benefits for Members with Special Circumstances	4
6	Calculate and Quote Pension Scheme Leaver Benefits for Members with Special Circumstances	4
7	Calculate and Quote Pension Scheme Retirement Benefits for Members with Special Circumstances	4

All seven units must be achieved, in order to complete the qualification.

## Qualification Delivery and Assessment

This qualification is delivered via PMI Approved Centres or via individuals self-studying. Approved centres must comply with all relevant Ofqual Regulations and Guidance.

### Assessment

All units are assessed online using a proctored exam format.

All seven units are assessed through case study examinations, which are open book.

As the case studies are meant to reflect real life calculations and assess a learners ability to verify accuracy of calculations. Each unit exam;

- lasts 90 minutes.

The case studies are based on three fictitious pension schemes; two defined benefit schemes (one of which is a Career Revalued Earnings Scheme [CARE]) and one defined contribution scheme.

## Total Qualification Time

TQT is a measure required by Ofqual the qualifications regulator and comprises:

- Guided Learning Hours (GLH): This is time spent being taught by an instructor (and not necessarily face to face); and
- Study Time: This is self-study/revision/reading

Guided learning hours (GLH)	28	(Revision Courses and teaching)
Self-study (SS)	240	(30 hours per unit Level 3) (40 hours per unit Level 4)
<i>Formative Assessment (F)</i>	<i>24.5 hours</i>	<i>(Mock Exams)</i>
<i>Summative Assessment (S)</i>	<i>10.5 hours</i>	<i>(Online Exams)</i>
Total Assessment Time (TAT)	35 hours	(F+S)
Total Qualification Time	302 Hours (GLH+SS+TAT)	

The above estimates are based on evidence we have gathered from users of our qualifications, past experience, and benchmarking exercises. The evidence we have gathered indicates that there is considerable variation within the overall TQT estimates as blended approaches are common with differing mixes of Guided Learning and other elements which contribute to TQT. These estimates are reviewed regularly.

The qualification is normally achieved within three years of registration.

## Fees

Fees for this qualification can be found on the [PMI website](#).

## Links with other qualifications and progression

All learners can progress to PMI administration focussed qualifications such as the Diploma in Pensions Administration or Certificate in Pension Scheme Member Guidance. Alternatively, they could pursue the PMI Diploma and Advanced Diploma in Retirement Provision.

The exact choice will depend on individual circumstances and career path.

## Membership Entitlement

Learners completing the qualification successfully will be eligible to seek election as Certificate Members of the PMI with the designatory initials **CertPMI**.

## Unit 1 Calculate and Quote Pension Scheme Death Benefits for Members without Special Circumstances

The aim of this unit is to:

Understand and calculate 'Death Benefit' options within normal circumstances and in accordance with all relevant guidance and legislation. The learner will then be able to apply this knowledge in the production of a 'death benefits' quote to the trustees or beneficiaries.

<b>Unit Level</b>	3	<b>Unit Reference</b>	L/618/6395	<b>Credits</b>	3
<b>TQT</b>	38	<b>Unit Grading Structure</b>	Pass / Fail		
<b>Assessment Guidance</b>		90-minute written exam online			
<b>Learning Outcomes</b> – the learner will		<b>Assessment Criteria</b> – the learner can			
1. Be able to explain the scheme rules for each of the schemes used in the case study examinations covering the payment of death benefits	1.1	Use the correct personal details from the member's record.			
	1.2	Show the full range of requested options which are allowed based on the member's record and the scheme rules.			
	1.3	Apply scheme definitions accurately.			
	1.4	Apply all relevant legislation correctly in relation to death benefits.			
2. Demonstrate how to apply actuarial / revaluation factors	2.1	Set out the calculations for each of the different types of death benefit options.			
3. Show the benefit options in an approved format and in accordance with accepted procedure	3.1	Provide manual calculations for each of the different types of death benefit category without arithmetical errors.			
	3.2	Show when lump sum death benefits are payable at the trustees' discretion or to the deceased member's estate / legal personal representatives.			
4. Be able to explain the effects of overriding legislation on the benefits and options payable (taking into account regulations and requirements of HM Revenue & Customs and the Department for Work and Pensions)	4.1	Calculate and provide information in accordance with regulations imposed by HM Revenue & Customs and the Department for Work and Pensions, as appropriate.			
5. Explain what information and documentation is required before the scheme can settle the benefits	5.1	Analyse a letter to the beneficiary, sponsor or trustee and quote benefits which match your calculations.			
	5.2	Show the benefit options in an approved format and in accordance with accepted procedure.			
	5.3	Provide complete and accurate information to accompany the quotation and requested payment details.			
	5.4	Give instructions to the addressee on the response you require.			



## Unit 2 Calculate and Quote Pension Scheme Leaver Benefits for Members without Special Circumstances

The aim of this unit is to:

Understand 'Leaver Benefit' options within normal circumstances and in accordance with all relevant guidance and legislation. The learner will then be able to apply this knowledge in the production of a 'leaver benefits' quote to the scheme member.

<b>Unit Level</b>	3	<b>Unit Reference</b>	L/618/6396	<b>Credits</b>	3
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<b>TQT</b>	38	<b>Unit Grading Structure</b>	Pass / Fail
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<b>Assessment Guidance</b>	90-minute written exam online
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<b>Learning Outcomes</b> – the learner will	<b>Assessment Criteria</b> – the learner can	
1. Be able to explain the scheme rules for each of the schemes used in the case study examinations covering the payment of leaver benefits	1.1	Use the correct personal details from the member's record.
	1.2	Show the full range of requested options which are allowed based on the member's record and the scheme rules.
	1.3	Apply scheme definitions accurately.
	1.4	Apply all relevant legislation correctly in relation to Leaver benefits.
2. Demonstrate how to apply revaluation factors and how to calculate tax for refunds	2.1	Set out the calculations for each leaving option according to the accepted procedures.
3. Show the benefit options in an approved format and in accordance with accepted procedure.	3.1	Provide manual calculations for each of the leaving options without arithmetical errors.
4. Be able to explain the effects of overriding legislation on the benefits and options payable (taking into account regulations and requirements of HM Revenue & Customs and the Department for Work and Pensions)	4.1	Calculate and provide information in accordance with regulations imposed by HM Revenue & Customs and the Department for Work and Pensions, as appropriate.
5. Explain what information and documentation is required before the scheme can settle the benefits	5.1	Analyse a letter to the beneficiary, sponsor or trustee and quote benefits which match your calculations.
	5.2	Show the benefit options in an approved format and in accordance with accepted procedure.
	5.3	Provide complete and accurate information to accompany the quotation and requested payment details.

## Unit 3 Calculate and Quote Pension Scheme Retirement Benefits for Members without Special Circumstances

The aim of this unit is to:

Understand 'Retirement Benefit' options within normal circumstances and in accordance with all relevant guidance and legislation. The learner will then be to apply this knowledge in the production of a 'retirement benefits' quote to the scheme member.

<b>Unit Level</b>	3	<b>Unit Reference</b>	L/618/6397	<b>Credits</b>	3
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<b>TQT</b>	38	<b>Unit Grading Structure</b>	Pass / Fail
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**Assessment Guidance** | 90-minute written exam online

<b>Learning Outcomes</b> – the learner will	<b>Assessment Criteria</b> – the learner can	
1. Be able to explain the scheme rules for each of the schemes used in the case study examinations covering the payment of retirement benefits	1.1	Use the correct personal details from the member's record.
	1.2	Show the full range of requested options which are allowed based on the member's record and the scheme rules.
	1.3	Apply scheme definitions accurately.
	1.4	Apply all relevant legislation correctly in relation to Retirement benefits.
2. Demonstrate how to apply revaluation factors and how to apply annuity rates	2.1	Set out the calculations for each leaving option according to the accepted procedures.
3. Show the benefit options in an approved format and in accordance with accepted procedure.	3.1	Provide manual calculations for each of the leaving options without arithmetical errors.
	3.2	Recalculate benefits to meet minimum contracting-out requirements(if necessary).
4. Be able to explain the effects of overriding legislation on the benefits and options payable (taking into account regulations and requirements of HM Revenue & Customs and the Department for Work and Pensions)	4.1	Calculate and provide information in accordance with regulations imposed by HM Revenue & Customs and the Department for Work and Pensions, as appropriate.
5. Explain what information and documentation is required before the scheme can settle the benefits	5.1	Analyse a letter to the beneficiary, sponsor or trustee and quote benefits which match your calculations.
	5.2	Show the benefit options in an approved format and in accordance with accepted procedure.
	5.3	Provide complete and accurate information to accompany the quotation and requested payment details.
	5.4	Give instructions to the addressee on the response you require.

## Unit 4 Calculate and Quote Pension Scheme Transfer In and transfer Out for Members

The aim of this unit is to:

Understand 'Transfer Out and Transfer In Benefit' options within normal circumstances and in accordance with all relevant guidance and legislation. The learner will then be able to apply this knowledge in the production of a 'transfer in benefits' quote and a 'transfer out benefits' quote to the scheme member.

<b>Unit Level</b>	3	<b>Unit Reference</b>	L/618/6398	<b>Credits</b>	3
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<b>TQT</b>	38	<b>Unit Grading Structure</b>	Pass / Fail
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<b>Assessment Guidance</b>	90-minute written exam online
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<b>Learning Outcomes</b> - the learner will	<b>Assessment Criteria</b> - the learner can	
1. Be able to explain the scheme rules for each of the schemes used in the case study examinations covering the payment of transfer benefits	1.1	Use the correct personal details from the member's record.
	1.2	Show the full range of requested options which are allowed based on the member's record and the scheme rules.
	1.3	Apply scheme definitions accurately.
	1.4	Apply all relevant legislation correctly in relation to Retirement benefits.
2. Demonstrate how to apply actuarial/revaluation factors	2.1	Set out the calculations for each transfer option according to the accepted procedures.
3. Show the benefit options in an approved format and in accordance with accepted procedure.	3.1	Provide manual calculations for each of the leaving options without arithmetical errors.
4. Explain what information and documentation is required before the scheme can settle the benefits	4.1	Analyse a letter to the beneficiary, sponsor or trustee and quote benefits which match your calculations.
	4.2	Show the benefit options in an approved format and in accordance with accepted procedure.
	4.3	Provide complete and accurate information to accompany the quotation and requested payment details.
	4.4	Give instructions to the addressee on the response you require.

Unit 5 Calculate and Quote Pension Scheme Death Benefits for Members with Special Circumstances				
The aim of this unit is to:				
Understand 'Death Benefit' options where special circumstances apply and in accordance with all relevant guidance and legislation. The learner will then be able to apply this knowledge in the production of a 'death benefits' quote to the trustees or beneficiaries.				
<b>Unit Level</b>	4	<b>Unit Reference</b>	L/618/6399	<b>Credits</b> 5
<b>TQT</b>	50	<b>Unit Grading Structure</b>	Pass / Fail	
<b>Assessment Guidance</b>	90-minute written exam online			
<b>Learning Outcomes</b> – the learner will		<b>Assessment Criteria</b> – the learner can		
1. Be able to explain the scheme rules for each of the schemes used in the case study examinations covering the payment of death benefits	1.1	Use the correct personal details from the member's record.		
	1.2	Show the full range of requested options which are allowed based on the member's record and the scheme rules.		
	1.3	Apply scheme definitions accurately.		
	1.4	Consider and apply any supplementary and discretionary benefits where appropriate.		
	1.5	Apply all relevant legislation correctly in relation to death benefits.		
2. Demonstrate how to apply actuarial / revaluation factors	2.1	Set out calculations for each benefit option according to accepted procedures.		
3. Show the benefit options in an approved format and in accordance with accepted procedure	3.1	Carry out calculations manually for each benefit option without arithmetical errors.		
	3.2	Show when lump sum benefits are payable at the trustees' discretion or to the deceased member's estate / legal personal representatives.		
4. Be able to explain the effects of overriding legislation on the benefits and options payable (taking into account regulations and requirements of HM Revenue & Customs and the Department for Work and Pensions)	4.1	Calculate and provide information in accordance with regulations imposed by HM Revenue & Customs and the Department for Work and Pensions, as appropriate		
5. Explain what information and documentation is required before the scheme can settle the benefits	5.1	Analyse a letter to the beneficiary, sponsor or trustee and quote benefits which match your calculations.		
	5.2	Show the benefit options in an approved format and in accordance with accepted procedure.		
	5.3	Detail any supplementary and discretionary benefits.		
	5.4	Provide complete and accurate information to accompany the quotation and requested payment details.		
	5.5	Give instructions to the addressee on the response you require.		

Unit 6					
Calculate and Quote Pension Scheme Leaver Benefits for Members with Special Circumstances					
The aim of this unit is to:					
Understand 'Leaver Benefit' options where special circumstances apply and in accordance with all relevant guidance and legislation. The learner will then be able to apply this knowledge in the production of a 'leaver benefits' quote to the scheme member.					
<b>Unit Level</b>	4	<b>Unit Reference</b>	L/618/6400	<b>Credits</b>	5
<b>TQT</b>	50	<b>Unit Grading Structure</b>		Pass / Fail	
<b>Assessment Guidance</b>		90-minute written exam online			
<b>Learning Outcomes</b> – the learner will			<b>Assessment Criteria</b> – the learner can		
1. Be able to explain the scheme rules for each of the schemes used in the case study examinations covering the payment of leaver benefits	1.1	Use the correct personal details from the member's record.			
	1.2	Show the full range of requested options which are allowed based on the member's record and the scheme rules.			
	1.3	Apply scheme definitions accurately.			
	1.4	Consider and apply any supplementary and discretionary benefits where appropriate.			
	1.5	Apply all relevant legislation correctly in relation to leaver benefits.			
2. Demonstrate how to apply revaluation factors and how to calculate tax for refunds	2.1	Set out calculations for each benefit option according to accepted procedures.			
3. Show the benefit options in an approved format and in accordance with accepted procedure	3.1	Carry out calculations manually for each benefit option without arithmetical errors.			
4. Be able to explain the effects of overriding legislation on the benefits and options payable (taking into account regulations and requirements of HM Revenue & Customs and the Department for Work and Pensions)	4.1	Calculate and provide information in accordance with regulations imposed by HM Revenue & Customs and the Department for Work and Pensions, as appropriate			
5. Explain what information and documentation is required before the scheme can settle the benefits	5.1	Analyse a letter to the member, sponsor or trustee and quote benefits which match your calculations.			
	5.2	Provide complete and accurate information to accompany the quotation and requested payment details.			
	5.3	Detail any supplementary and discretionary benefits.			
	5.4	Show the benefit options in an approved format and in accordance with accepted procedure.			
	5.5	Provide complete and accurate information to accompany the quotation and requested payment details.			

## Unit 7 Calculate and Quote Pension Scheme Retirement Benefits for Members with Special Circumstances

The aim of this unit is to:  
Understand 'Retirement Benefit' options where special circumstances apply and in accordance with all relevant guidance and legislation. The learner will then be able to apply this knowledge in the production of a 'retirement benefits' quote to the scheme member.

<b>Unit Level</b>	4	<b>Unit Reference</b>	L/618/6401	<b>Credits</b>	5
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<b>TQT</b>	50	<b>Unit Grading Structure</b>	Pass / Fail
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<b>Assessment Guidance</b>	90-minute written exam online
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<b>Learning Outcomes</b> – the learner will	<b>Assessment Criteria</b> – the learner can
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1. Be able to explain the scheme rules for each of the schemes used in the case study examinations covering the payment of retirement benefits	1.1	Use the correct personal details from the member's record.
	1.2	Show the full range of requested options which are allowed based on the member's record and the scheme rules.
	1.3	Apply scheme definitions accurately.
	1.4	Consider and apply any supplementary and discretionary benefits where appropriate.
	1.5	Apply all relevant legislation correctly in relation to retirement benefits.
2. Demonstrate how to apply actuarial / revaluation factors and how to apply annuity rates	2.1	Set out calculations for each benefit option according to accepted procedures.
3. Show the benefit options in an approved format and in accordance with accepted procedure	3.1	Carry out calculations manually for each benefit option without arithmetical errors.
	3.2	Recalculate benefits to meet minimum contracting-out requirements (if necessary).
4. Be able to explain the effects of overriding legislation on the benefits and options payable (taking into account regulations and requirements of HM Revenue & Customs and the Department for Work and Pensions)	4.1	Calculate and provide information in accordance with regulations imposed by HM Revenue & Customs and the Department for Work and Pensions, as appropriate
5. Explain what information and documentation is required before the scheme can settle the benefits	5.1	Write a letter to the member, sponsor or trustee and quote benefits which match your calculations.
	5.2	Show the benefit options in an approved format and in accordance with accepted procedure.
	5.3	Detail any supplementary and discretionary benefits.
	5.4	Provide complete and accurate information to accompany the quotation and requested payment details.
	5.5	Give instructions to the addressee on the response you require.