



**Pensions  
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Moving pensions forward

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# **PMI Level 3 Certificate in Pensions Administration**

## **Qualification Specification**

# PMI Level 3 Certificate in Pensions Administration

## QUALIFICATION AIM

Suitable for pension scheme administrators working in either defined benefit (DB) or defined contribution (DC) schemes, or both. Designed to allow organisations and their pensions administrators to select and construct a competence based qualification that reflects their normal working activities.

## PREREQUISITES

There are no formal prerequisites for this qualification; either qualifications or knowledge and experience.

Some candidates will have undertaken the PMI Certificate in Pension Calculations.

However, we would anticipate most candidates would be working in the field.

## TRAILBLAZER APPRENTICESHIP

This qualification can be undertaken as part of the workplace pensions trailblazer apprenticeship. Full details can be found on the PMI website.

## QUALIFICATION STRUCTURE AND COMPLETION CRITERIA

This qualification comprises fourteen units.

### Work-based Units

- Unit 1: Applying Overriding Regulatory Requirements (Mandatory)
- Unit 2: Monitor Ongoing Entitlement to Pension Scheme Benefits
- Unit 3: Payment of Pension Scheme Benefits
- Unit 4: Create and Update Pension Scheme Records for New and Existing Members
- Unit 5: Process Applications for Pension Scheme Transfers Out
- Unit 6: Process Pension Scheme Retirement Benefits
- Unit 7: Process and Validate Pension Scheme Data for Periodic Events
- Unit 8: Process Applications for Pension Scheme Early Leavers
- Unit 9: Process Pension Scheme Death Benefits
- Unit 10: Process Pension Scheme Transfers In

### Examined Units

- Unit 11: Calculate and Quote DB & DC Pension Scheme Death Benefits for Members without Special Circumstances
- Unit 12: Calculate and Quote DB & DC Pension Scheme Leavers Benefits for Members without Special Circumstances
- Unit 13: Calculate and Quote DB & DC Pension Scheme Retirement Benefits for Members without Special Circumstances
- Unit 14: Calculate and Quote DB & DC Pension Scheme Transfers In and Transfers Out for Members.

Eight out of the fourteen units must be achieved in order to complete the qualification. Unit 1 is mandatory.

## **QUALIFICATION DELIVERY**

This qualification is delivered via PMI approved centres and Examination Partners. Approved centres and Examination Partners must comply with the relevant Regulations and Guidance Notes. These can be found on the website.

## **ASSESSMENT**

Units 1 to 10 are assessed through work-based assessment where evidence is drawn from the day to day activities carried out by the candidate. Units 11 to 14 are assessed through open book case study examinations externally assessed. The case studies are based on three fictitious pension schemes – two defined benefit schemes and one defined contribution scheme. For the examined units Past Papers and Examiners' reports can also be found on the website.

Further details on assessment can be found in the Test Specification.

## **RECOMMENDED STUDY TIME**

This is also known as Total Qualification Time (TQT) or Guided Learning Hours. TQT is a measure required by Ofqual the qualifications regulator and is comprised of:

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

In order to comply with Ofqual requirements and to provide an estimation of study time we have calculated the following:

As GLH, as defined above, is not common we have estimated a total of 5 hours for this component. For study time we have estimated 25 hours per unit. Therefore TQT = 240 hours for this qualification.

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

## **QUALIFICATION LEVEL**

This qualification has been benchmarked at Level 3 in the national framework.

## **FEES**

Fees for this qualification can be found on this page; <http://www.pensions-pmi.org.uk/qualifications-and-learning/certificate-in-pensions-administration/certificate-in-pensions-administration-fees-and-forms/> and here in the Qualification fees document : [pmi-qualifications.pdf \(pensions-pmi.org.uk\)](http://www.pensions-pmi.org.uk/pmi-qualifications.pdf)

### **LINKS WITH OTHER QUALIFICATIONS AND PROGRESSION**

Those who complete this qualification could proceed to complete additional PMI administration focussed qualifications such as the Certificate in Pensions Calculations, 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**

Candidates undertaking the qualification will be automatically enrolled as VQ Student Members on registration for the duration of their study

Candidates completing the qualification successfully will be eligible to seek election as Diploma Members of the PMI with the designatory initials CertPMI.

## CONSTITUENT UNITS

For each of the work-based units the learning outcomes are followed by some more detailed performance criteria.

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

### UNIT 1: APPLYING OVERRIDING REGULATORY REQUIREMENTS

#### Aim

#### Learning Outcomes

On successful completion of this unit candidates will know and understand:

- The overriding regulatory requirements for the administration of pension schemes.
- How governing bodies interact with pension schemes.
- The consequences of non-compliance in meeting the overriding regulatory requirements.
- The current legislation concerning the difference between giving financial information and financial advice.
- The signatures and authorisations you need to settle benefits and/or to provide information.

Performance criteria	Scope
<p>You must be able to:</p> <ol style="list-style-type: none"><li>1. Apply <b>overriding regulatory requirements</b> for administration of pension schemes.</li><li>2. Explain how <b>governing bodies</b> interact with pension schemes.</li></ol>	<p>In meeting the performance criteria you must show you can:</p> <p>(A) Apply <b>overriding regulatory requirements</b> in all of the following:</p> <ol style="list-style-type: none"><li>(i) Disclosure regulations (including whistleblowing)</li><li>(ii) Data protection</li><li>(iii) Maintaining security and confidentiality</li><li>(iv) HMRC allowances</li><li>(v) The difference between giving financial advice and giving financial information.</li></ol> <p>(B) Explain how the following <b>governing bodies</b> interact with pension schemes:</p> <ol style="list-style-type: none"><li>(i) The Pensions Regulator</li><li>(ii) The Pensions Ombudsman</li><li>(iii) The Pensions Advisory Service (TPAS)</li><li>(iv) Pensionwise</li><li>(v) Financial Conduct Authority (FCA)</li><li>(vi) HMRC.</li></ol>

## Evidence

Evidence can be provided through internal training and e-learning and you can prove that you have passed the training. Alternatively, evidence can be provided by candidate statements, work based evidence or through question and answer sessions.

## UNIT 2: MONITORING ONGOING ENTITLEMENT TO PENSION SCHEME BENEFITS

### Aim

### Learning Outcomes

On successful completion of this unit candidates will know and understand:

- How to determine whether benefits continue to be payable as specified in scheme regulations.
- How to apply validation methods to ensure data is correct.
- What are the scheme's requirements for decisions related to the payment/cessation of benefits?
- Organisational requirements for the resolution of queries, including referral to third parties (where appropriate).
- Organisational requirements for confirming the continuing entitlement to pension scheme benefits to different categories of member.
- Organisational procedures for the suspension and reinstatement of pensions.

Performance criteria	Scope
<p>You must be able to:</p> <ol style="list-style-type: none"><li>1. Identify the <b>cases</b> that require confirmation of continuing entitlement.</li><li>2. Obtain information of continuing entitlement from the appropriate person/establishment.</li><li>3. Take <b>follow-up action</b> according to organisational timescales, where no response is received.</li><li>4. Re-assess continuing entitlement according to Scheme regulations.</li><li>5. Notify the relevant person of the effect of any change in entitlement in an appropriate and correct manner, within the required <b>timescales</b>.</li><li>6. Arrange for the adjustment of the pension with the paying agent, where necessary.</li></ol>	<p>In meeting the performance criteria you must show you can:</p> <p>(A) Process <u>four cases</u> covering at least <u>two</u> of the following types of reviews:</p> <ol style="list-style-type: none"><li>(i) Dependants pensions</li><li>(ii) Pensioners</li><li>(iii) National Fraud Initiative</li><li>(iv) Ill health</li><li>(v) Spouse's pensions</li><li>(vi) Temporary pensions</li><li>(vii) Discretionary pension.</li></ol> <p>(B) Identify the <b>follow-up action</b> that needs to be taken where no response is received for at least <u>two</u> of the following:</p> <ol style="list-style-type: none"><li>(i) Sending out reminders.</li><li>(ii) Using other means to contact the members.</li><li>(iii) Escalating to management for further action or investigation.</li><li>(iv) Arranging to suspend pension.</li></ol>

7. Update pension records to reflect the change in pension amounts or future reviews.	(C) Ensure that scheme, regulatory and/or organisational service level agreement <b>timescales</b> are met.
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### UNIT 3: PAYMENT OF PENSION SCHEME BENEFITS

#### Aim

#### Learning Outcomes

On successful completion of this unit candidates will know and understand:

- Practices and procedures for payment of benefits, including requirements and forms required.
- The internal procedures that you need to follow and the records that need to be updated on payment of benefit(s).
- Awareness of the implications of PAYE for payment of pension scheme benefits.
- The different payment methods and frequency of payment used.
- Organisational timescales and understanding the consequences of non-compliance.
- The requirements for notification to paying agents and HMRC.
- Where to identify sources of information for the resolution of queries.
- The circumstances under which pensions would be suspended.
- Procedures for BACS recalls, and/or returned payments.
- Procedures for tracing pensioners with whom the organisation has lost contact.

Performance criteria	Scope
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Check that all sums authorised for <b>payment</b> match the benefits calculated.</li> <li>2. Check every notification received for proper authorisation, according to organisational procedures.</li> <li>3. Investigate and resolve any <b>queries</b> in member details.</li> <li>4. <b>Payments</b> are processed according to organisational requirements.</li> <li>5. Correctly set up any payroll records according to regulatory and organisational requirements.</li> <li>6. Ensure <b>changes</b> affecting the payment of pensions are actioned, according to organisational payroll <b>timescale</b>.</li> <li>7. Investigate the reasons for returned payments and re-issue or suspend if necessary.</li> <li>8. If necessary, take <b>appropriate steps</b> to establish contact with pensioners with whom the organisation has lost contact.</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <ol style="list-style-type: none"> <li>(A) Identify <u>five</u> new <b>payments</b> covering at least <u>three</u> of the following categories: <ol style="list-style-type: none"> <li>(i) New pensioner</li> <li>(ii) New dependant</li> <li>(iii) Terminal/final/commuted payment</li> <li>(iv) Recalculation of benefits</li> <li>(v) Deaths</li> <li>(vi) Transfers out</li> <li>(vii) Refund of contributions.</li> </ol> </li> <li>(B) Resolve <u>two</u> <b>queries</b> using <u>any</u> of the following methods: <ol style="list-style-type: none"> <li>(i) Own discretion</li> <li>(ii) Another appropriate person.</li> </ol> </li> <li>(C) Process <u>eight</u> <b>changes</b> from <u>three</u> of the following categories: <ol style="list-style-type: none"> <li>(i) Change of address</li> <li>(ii) Change of bank details</li> <li>(iii) Changes to deductions from pension</li> <li>(iv) Change of payment method</li> <li>(v) Change of tax code</li> <li>(vi) Change to pension tranches at state pension age</li> <li>(vii) Other.</li> </ol> </li> <li>(D) Take <b>appropriate steps</b> to establish contact using <u>any</u> of the following methods: <ol style="list-style-type: none"> <li>(i) Bank or building society</li> <li>(ii) Internal departments</li> <li>(iii) HMRC</li> <li>(iv) Tracing agency</li> <li>(v) Other.</li> </ol> </li> <li>(E) Ensure that scheme, regulatory and/or organisational service level agreement <b>timescales</b> are met.</li> </ol>



## UNIT 4: CREATE AND UPDATE PENSION SCHEME RECORDS FOR NEW AND EXISTING MEMBERS

### Aim

### Learning Outcomes

On successful completion of this unit candidates will know and understand:

- The internal procedures that you need to follow to create and update member records.
- How to apply relevant sections of scheme regulations/rules
- How to identify sources of information for the resolution of queries.
- Awareness of internal and scheme policies, practices and procedures for signatories and authorisations and how to apply these.
- How to check that the information you receive is acceptable and complete.
- The scheme requirements for medical advice/evidence and free cover limits (if any).
- Your organisation's timescales for creating and updating member records.
- The implications of Automatic Enrolment.

Performance criteria	Scope
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Validate for authorisation and eligibility all <b>new member</b> applications.</li> <li>2. Accurately input all personal details to <b>new member</b> records.</li> <li>3. Inform <b>new member</b> of their pensionable status, if applicable and complete <b>new member</b> records within required scheme or organisational service level agreement timescales.</li> <li>4. Check all updates for proper authorisation.</li> <li>5. Accurately record complete <b>member details</b> using the appropriate pensions administration system.</li> <li>6. Correctly process all <b>updates</b> to member information within scheme or organisational service level agreements.</li> <li>7. Investigate and resolve any <b>queries</b>.</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <p>(A) Process a minimum of <u>five new member</u> applications.</p> <p>(B) Correctly <b>update eight members details</b> including at least <u>three</u> of the following types of change:</p> <ol style="list-style-type: none"> <li>(i) Individual salary/pension income</li> <li>(ii) Employer within scheme</li> <li>(iii) Personal details</li> <li>(iv) Additional member contributions</li> <li>(v) Death/beneficiary nomination</li> <li>(vi) Leave of/temporary absence</li> <li>(vii) Change in working hours</li> <li>(viii) Amend benefit details</li> <li>(ix) DWP notifications</li> <li>(x) DC switching/lifestyling</li> <li>(xi) Opt-in/Opt-out</li> <li>(xii) Other (must specify).</li> </ol> <p>(C) Resolve a minimum of <u>two queries</u> using any of the following methods:</p> <ol style="list-style-type: none"> <li>(i) Within own discretion.</li> <li>(ii) Another appropriate person.</li> </ol>

## **UNIT 5: PROCESS APPLICATIONS FOR PENSION SCHEME TRANSFERS OUT**

### **Aim**

### **Learning Outcomes**

On successful completion of this unit candidates will know and understand:

- How to process transfer benefits as specified in the scheme requirements.
- How to accurately apply calculation methods and standard practices to the transfer options available to a member.
- The process involved in disinvesting any DC funds.
- What are the scheme's requirements for the discharge of benefits including any additional contributions?
- How to apply scheme regulations in order to inform transferring members of appropriate options available to them.
- Who the paying agents are and what information they require.
- The internal procedures that you need to follow and records that need to be updated when settling benefits.
- The signatures and authorisations you need to settle benefits and/or to provide information.
- The circumstances under which benefits may need to be recalculated and the procedures to be followed.
- How to identify sources of information for resolution of queries.

Performance criteria	Scope
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Obtain proper authorisation for every <b>transfer out</b> request before further action is taken.</li> <li>2. Provide relevant information to the Actuary or correctly calculate the transfer value, as applicable.</li> <li>3. Inform all outgoing members of the options available to them in a format which complies with regulatory and scheme requirements.</li> <li>4. Where the member proceeds to transfer ensure proper authorisation is received.</li> <li>5. If appropriate, arrange for disinvestment of any DC funds (inc. DB schemes with DC AVCs, if the member opts to transfer them).</li> <li>6. Ensure transfer value is re-calculated if necessary.</li> <li>7. Investigate and resolve any <b>queries</b>.</li> <li>8. Provide information to the new scheme in accordance with scheme requirements.</li> <li>9. Arrange payment of transfer values within required <b>timescale</b>.</li> <li>10. Amend the leaver's records to reflect their change in membership status within <b>timescales</b>.</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <ol style="list-style-type: none"> <li>(A) Process <u>five</u> <b>transfer out</b> cases, <u>two</u> of which should be processed to payment stage.</li> <li>(B) Resolve <u>one</u> <b>query</b> or unusual feature using any of the following methods: <ol style="list-style-type: none"> <li>(i) Own discretion</li> <li>(ii) Another appropriate person.</li> </ol> </li> <li>(C) Ensure that scheme, regulatory and/or organisational service level agreement <b>timescales</b> are met.</li> </ol>

## **UNIT 6: PROCESS PENSION SCHEME RETIREMENT BENEFITS**

### **Aim**

### **Learning Outcomes**

On successful completion of this unit candidates will know and understand:

- How to determine benefits and options as specified in scheme requirements.
- How to apply validation methods to ensure data is correct.
- How to apply correct and appropriate calculation methods and standard practices.
- How benefits are affected by overriding legislation.
- The effect that a member's other pension benefits may have on their scheme benefits.
- What are the scheme's requirements for the discharge of benefits and how they are applied?
- When to apply pensions increase regulations when determining retirement benefits.
- The meaning of the term 'trustees discretion'.
- What is meant by 'earmarking' and pension sharing on divorce and describe the additional information you need where part of member's pension has been 'earmarked' on divorce?
- The circumstances under which benefits may need to be recalculated and the procedures to be followed.
- How to identify sources of information for resolution of queries.

Performance criteria	Scope
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Follow the correct procedure to ensure that all notifications of <b>retirement benefits</b> are approved by the appropriate person, if applicable.</li> <li>2. Validate the eligibility of retiring members and their member's record against scheme regulations/rules.</li> <li>3. Validate the member's level of pay or fund value on which benefits are to be based.</li> <li>4. Investigate and resolve any <b>queries</b>.</li> <li>5. Correctly calculate retirement benefits according to the scheme rules – taking into account any <b>special circumstances</b> that may be applicable to the member.</li> <li>6. Take into account any overriding regulatory legislation that may affect sums payable to the member.</li> <li>7. Accurately re-calculate revised benefits as necessary.</li> <li>8. Inform the retiring member of the correct elected options available to them within required <b>timescales</b>.</li> <li>9. Amend the retiring member's records to reflect their change in membership status.</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <ol style="list-style-type: none"> <li>(A) Follow the correct organisational and regulatory procedures to process a minimum of <u>five</u> applications for <b>retirement benefits</b>, covering <u>three</u> of the following types: <ol style="list-style-type: none"> <li>(i) Normal retirement</li> <li>(ii) Ill health retirement</li> <li>(iii) Voluntary early retirement</li> <li>(iv) Late retirement</li> <li>(v) Retirement from deferred.</li> </ol> </li> <li>(B) Process <b>retirement benefits</b> with reference to at least <u>three</u> of the following, as applicable: <ol style="list-style-type: none"> <li>(i) Application for benefits</li> <li>(ii) Employer/trustee authorisation</li> <li>(iii) Evidence of medical certification</li> <li>(iv) Trivial Commutation</li> <li>(v) Open market options.</li> </ol> </li> <li>(C) Investigate and resolve at least one <b>query</b> using any of the following methods: <ol style="list-style-type: none"> <li>(i) Within own discretion</li> <li>(ii) Another appropriate person.</li> </ol> </li> <li>(D) Take into account <u>three</u> of the following <b>special circumstances</b>: <ol style="list-style-type: none"> <li>(i) AVCs</li> <li>(ii) Benefits in other schemes</li> <li>(iii) Transfers in</li> <li>(iv) Pension credits/debits or attachment orders</li> <li>(v) Amendments for existing members</li> <li>(vi) Part time Member</li> <li>(vii) Additional member contributions</li> <li>(viii) Other (must specify on assessment)</li> <li>(ix) HMRC Allowances.</li> </ol> </li> <li>(E) Ensure that scheme, regulatory and /or organisational service level agreement <b>timescales</b> are met.</li> </ol>

## **UNIT 7: PROCESS AND VALIDATE PENSION SCHEME DATA FOR PERIODIC EVENTS**

### **Aim**

### **Learning Outcomes**

On successful completion of this unit candidates will know and understand:

- How to resolve any discrepancies or omissions in scheme data.
- What data needs reconciliation and why.
- Your organisation's timescales for scheme updating.
- The circumstances when schemes are obliged to send periodic statements to members and the information these statements must contain for all types of occupational schemes.
- How the updating of scheme records impacts on the information contained in the trustees' report and/or scheme accounts.
- The scheme requirements for medical evidence and free cover limits (if any).
- How to identify sources of information for resolution of queries.

Performance criteria	Scope
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Check <b>pension scheme data</b> is complete, and in an acceptable format.</li> <li>2. Verify accuracy of scheme data using the appropriate pension scheme administration system.</li> <li>3. Access data in order to action the periodic event.</li> <li>4. Investigate and resolve any <b>queries</b> generated by the update process.</li> <li>5. Produce and issue the member communication e.g. annual benefit statements, where appropriate, within the required <b>timescales</b>.</li> <li>6. Complete the required process e.g. send monies and communications, where appropriate.</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <p><b>(A)</b> Reconcile member records, for <u>at least one</u> scheme or employer with <b>pension scheme data</b>.</p> <p><b>(B)</b> Resolve at least <u>four</u> of the following <b>queries</b>:</p> <ol style="list-style-type: none"> <li>(i) Member record not found</li> <li>(ii) Member has left the scheme</li> <li>(iii) Surname does not match</li> <li>(iv) National Insurance number does not match</li> <li>(v) Member has multiple records</li> <li>(vi) Pay figure missing</li> <li>(vii) Contribution amount not as expected</li> <li>(viii) Other (must specify in assessment).</li> </ol> <p><b>(C)</b> Ensure that scheme, regulatory and/or organisational service level agreement <b>timescales</b> are met.</p>

#### NOTE

Periodic event may mean:

- Employer Returns
- Annual Renewal
- Payroll Data
- AVC Fund Values
- Contributions for a DC pension scheme
- DC monthly investment cycle
- DC life styling
- Benefit statements

## **UNIT 8: PROCESS APPLICATIONS FOR PENSION SCHEME EARLY LEAVERS**

### **Aim**

### **Learning Outcomes**

On successful completion of this unit candidates will know and understand:

- How to interpret and apply regulatory and scheme regulations/rules to determine leaver's benefits.
- How to accurately apply calculation methods and standard practices.
- What are the scheme's requirements for the discharge of benefits, ie the signatures and authorisations you need to settle benefits and/or to provide information?
- How to apply scheme regulations in order to inform leavers of appropriate options available to them.
- The internal procedures that you need to follow and records that need to be updated when settling benefits.
- The circumstances under which benefits may need to be recalculated and the procedures to be followed.
- How to identify sources of information for resolution of queries.



Performance criteria	Scope
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Obtain proper authorisation for every <b>leaver</b> before further action is taken.</li> <li>2. Investigate and resolve any <b>queries</b> or unusual features.</li> <li>3. Calculate the <b>leaver's</b> entitlement taking into account any <b>special circumstances</b> that may be applicable to the member.</li> <li>4. Inform the member of the <b>options</b> available to them within the required <b>timescales</b>.</li> <li>5. Take any necessary follow up action, within the required <b>timescales</b>, where no response has been received concerning <b>options</b>.</li> <li>6. Take appropriate steps to arrange payment where necessary.</li> <li>7. Re-calculate revised benefits as necessary.</li> <li>8. Amend the <b>leaver's</b> records promptly to reflect their change in membership.</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <ol style="list-style-type: none"> <li>(A) Correctly update records for <u>five</u> <b>leavers</b>.</li> <li>(B) Provide information for five leavers for any of the following <b>options</b>. At least <u>two</u> must be a deferred option: <ol style="list-style-type: none"> <li>(i) Refund only</li> <li>(ii) Deferred benefits</li> <li>(iii) Transfer value</li> <li>(iv) Dual Options.</li> </ol> </li> <li>(C) Resolve at least <u>one</u> <b>query</b> using any of the following methods: <ol style="list-style-type: none"> <li>(i) Within own discretion</li> <li>(ii) Another appropriate person.</li> </ol> </li> <li>(D) Take into account <u>two</u> of the following <b>special circumstances</b>: <ol style="list-style-type: none"> <li>(i) AVCs</li> <li>(ii) Part timers</li> <li>(iii) Benefits in other schemes</li> <li>(iv) Transfers in</li> <li>(v) Pension credits/debits or attachment orders</li> <li>(vi) Other amendments for existing members</li> <li>(vii) Additional member Contributions</li> <li>(viii) Opt-outs</li> <li>(ix) Redundancy</li> <li>(x) Dismissal</li> <li>(xi) Maternity Leave.</li> </ol> </li> <li>(E) Ensure that scheme, regulatory and/or organisational service level agreement <b>timescales</b> are met.</li> </ol>

## **UNIT 9: PROCESS PENSION SCHEME DEATH BENEFITS**

### **Aim**

### **Learning Outcomes**

On successful completion of this unit candidates will know and understand:

- How to interpret and apply regulatory and scheme regulations/rules following a death notification.
- How benefits are affected by scheme regulations/rules, taking into account overriding regulatory legislation.
- What affect do death nomination forms have on the payment of death benefits?
- How to accurately apply correct calculation methods and standard practices.
- What are the scheme requirements for the discharge of benefits, ie the signatories and authorisation you need, to arrange to provide information and/or discharge benefits?
- When to apply Pension Increase regulations when determining the death benefits that are payable.
- The circumstances in when grant of probate/letters of administration are applied for.
- The internal procedures that you need to follow and records that need to be updated when discharging benefits.
- The meaning of the term 'trustees discretion' or employer discretion.
- The procedures in place to maintain security and confidentiality, including Data Protection Act.
- The possible effects of a pension debit on the death benefits payable.

Performance criteria	Scope
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Check death notifications for <b>death benefits</b> are authorised and supported by relevant documentation.</li> <li>2. Locate and validate member's record against the <b>death notification</b>.</li> <li>3. Fully validate the eligibility of <b>beneficiaries</b> to receive member's <b>death benefits</b> against the Scheme regulations.</li> <li>4. Validate the member's level of pay or fund value on which benefits are to be based.</li> <li>5. Calculate <b>death benefits</b>, taking into account any <b>special circumstances</b> according to Scheme rules.</li> <li>6. Take into account any overriding regulatory legislation that may affect sums payable to the <b>beneficiaries</b>.</li> <li>7. Notify <b>beneficiaries</b> of their entitlements in an appropriate and correct manner within the required <b>timescales</b>.</li> <li>8. Promptly arrange payments of the <b>death benefits</b> and any ongoing dependant's pension with the paying agent.</li> <li>9. Update deceased member's records to reflect their change of member status.</li> </ol>	<p>In meeting the performance criteria you must show you can :</p> <ol style="list-style-type: none"> <li>(A) Process <u>three</u> different types of <b>death benefits</b>, one of which may be simulated from the following: <ol style="list-style-type: none"> <li>(i) Death in service</li> <li>(ii) Death after retirement</li> <li>(iii) Death in deferment</li> <li>(iv) Death of a dependant in receipt of a pension.</li> </ol> </li> <li>(B) Validate the eligibility of at least two of the following categories of <b>beneficiary</b>: <ol style="list-style-type: none"> <li>(i) Spouse/civil partner/nominated partner</li> <li>(ii) Child(ren)</li> <li>(iii) Death grant nominee(s)/expression of wish</li> <li>(iv) Death grant with no nomination.</li> </ol> </li> <li>(C) Process <b>death notifications</b> with reference to at least two of the following, as applicable: <ol style="list-style-type: none"> <li>(i) Employer/trustee authorisation</li> <li>(ii) Certificates of marriage, death and birth certificates of dependants</li> <li>(iii) Letters of administration/grant of probate</li> <li>(iv) Death grant nomination/expression of wish</li> <li>(v) Trustees discretion/delegated authority.</li> </ol> </li> <li>(D) Take into account one of the following <b>special circumstances</b>: <ol style="list-style-type: none"> <li>(i) AVCs</li> <li>(ii) Benefits in other schemes</li> <li>(iii) Transfers in</li> <li>(iv) Pension credits/debits or attachment orders</li> <li>(v) Part-time members</li> <li>(vi) Added member contributions</li> <li>(vii) Other (please specify).</li> </ol> </li> <li>(E) Ensure that scheme, regulatory and/or organisational service level agreement <b>timescales</b> are met.</li> </ol>

## **UNIT 10: PROCESS PENSION SCHEME TRANSFERS IN**

### **Aim**

### **Learning Outcomes**

On successful completion of this unit candidates will know and understand:

- How to interpret and apply regulatory and scheme regulations following a transfer in request.
- How to validate scheme data in terms of completeness and appropriateness.
- How to identify sources of information for resolution of queries.
- How to process scheme transfer benefits and options as specified in scheme regulations.
- The signatures and authorisations you need to settle benefits and/or to provide information.
- The circumstances under which transfer in benefits may need to be recalculated and the procedures to be followed.

Performance criteria	Scope
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Obtain authorisation for every <b>transfer in</b> request before further action is taken.</li> <li>2. Ensure all proposed <b>transfers</b> from another UK scheme are registered by HM Revenue &amp; Customs.</li> <li>3. Investigate and resolve any <b>queries</b> and ensure transfers can proceed.</li> <li>4. Provide relevant information to the Actuary or correctly calculate the transfer value, as applicable.</li> <li>5. Fully inform members of the options available to them with regard to their rights from the <b>transfer in</b> decision and obtain their preference.</li> <li>6. Take any necessary follow up action, where no response is received.</li> <li>7. Where the member elects to <b>transfer in</b> ensure proper authorisation is received.</li> <li>8. Ensure benefits from the transfer value are re-calculated if necessary.</li> <li>9. Request payment of transfer values within <b>timescales</b>.</li> <li>10. Update member records to show details of the <b>transfer</b> and confirm completion to the member.</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <ol style="list-style-type: none"> <li>(A) Process <u>three</u> <b>transfer in</b> cases, <b>two</b> of which should be processed to payment stage.</li> <li>(B) Resolve <u>one</u> <b>query</b> or unusual features using any of the following methods: <ol style="list-style-type: none"> <li>(i) Within own discretion</li> <li>(ii) Another appropriate person.</li> </ol> </li> <li>(C) Ensure that scheme, regulatory and/or organisational service level agreement <b>timescales</b> are met.</li> </ol>

**UNIT 11: CALCULATE AND QUOTE PENSION SCHEME DEATH BENEFITS FOR MEMBERS WITHOUT SPECIAL CIRCUMSTANCES**

**Aim**

**Learning Outcomes**

On successful completion of this unit candidates will know and understand:

- The scheme rules for each of the schemes used in the case study examinations covering the payment of death benefits
- How to apply actuarial factors
- How to apply annuity rates
- The effects of overriding legislation on the benefits and options payable including the requirements of the HM Revenue & Customs and the Department for Work and Pensions
- How the benefit is made up: refund of contributions, lump sum (life assurance/5 year guarantee) and spouse's pension (including child pensions).
- How to apply statutory increases on deferred pensions for the period between date of exit and date of death
- How to apply statutory increases on pensions in payment
- The Disclosure requirements
- The distinction between giving financial information and financial advice (in accordance with the latest Financial Services and Markets Act)
- The distinction between paying lump sum benefits at the Trustees' discretion or to the deceased member's Estate or Legal Personal Representative(s)
- What information and documentation is required before the scheme can settle the benefits

## Syllabus

PERFORMANCE CRITERIA	SCOPE
<p>You must show you can:</p> <ol style="list-style-type: none"> <li>1. Use the correct personal details from the member's record</li> <li>2. Show the full range of requested <b>options</b> which are allowed based on the member's record, the <b>scheme</b> rules and legislation</li> <li>3. Apply <b>scheme</b> definitions accurately</li> <li>4. Apply all relevant legislation correctly according to the reason for death and the dates of joining and leaving the scheme</li> <li>5. Set out the <b>calculations*</b> for each <b>option</b> according to accepted procedures</li> <li>6. Carry out the <b>calculations*</b> manually for each <b>option</b> without arithmetical errors</li> <li>7. Show when lump sum benefits are <b>payable</b> at the Trustees' discretion or to the deceased member's Estate</li> <li>8. Calculate and provide information relating to HM Revenue &amp; Customs Regulations, as appropriate</li> <li>9. <b>Write a letter</b> to the beneficiary, sponsor or Trustee and quote benefits which match your <b>calculations*</b></li> <li>10. Show the benefit options in an approved format and in accordance with accepted procedure</li> <li>11. Provide complete and accurate information to accompany the quotation and requested payment details</li> <li>12. Give instructions to the addressee on the response you require</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <ol style="list-style-type: none"> <li>(A) Identify and apply <b>scheme</b> rules and definitions for <u>all</u> of the following:             <ol style="list-style-type: none"> <li>(i) Final salary</li> <li>(ii) Career average revalued earnings (CARE)</li> <li>(iii) Money purchase</li> <li>(iv) Not contracted-out of SERPS/S2P</li> <li>(v) Contracted-out of SERPS/S2P</li> </ol> </li> <li>(B) Set out and provide fully worked manual <b>calculations*</b> for <u>all</u> of the following death benefits:             <ol style="list-style-type: none"> <li>(i) Refund of contributions</li> <li>(ii) Lump sum (Life assurance/5 year guarantee)</li> <li>(iii) Spouse's pension</li> </ol> </li> <li>(C) Set out and provide fully worked manual <b>calculations*</b> for <u>all</u> of the following death benefit categories:             <ol style="list-style-type: none"> <li>(i) Death in service</li> <li>(ii) Death in deferment</li> <li>(iii) Death in retirement</li> </ol> </li> <li>(D) Identify when lump sum death benefits are <b>payable</b>:             <ol style="list-style-type: none"> <li>(i) At the Trustees' discretion</li> <li>(ii) To the deceased member's Estate/Legal Personal Representative(s)</li> </ol> </li> <li>(E) Determine the <b>options</b> open to members taking into account <u>all</u> of the following:             <ol style="list-style-type: none"> <li>(i) The member's record</li> <li>(ii) Scheme rules</li> <li>(iii) Relevant legislation</li> </ol> </li> <li>(F) Use the <b>calculations*</b> from <u>one</u> of the case studies completed to <b>write a letter</b> to the beneficiary, sponsor or Trustee.</li> </ol>

**EXPLANATION** \*Calculations could include recalculating benefits to ensure minimum contracting-out requirements are met or suggesting a course of action if Lifetime Allowance limits are exceeded

**UNIT 12: CALCULATE AND QUOTE PENSION SCHEME LEAVERS BENEFITS FOR MEMBERS WITHOUT SPECIAL CIRCUMSTANCES**

**Aim**

**Learning Outcomes**

On successful completion of this unit candidates will know and understand:

- The scheme rules for each of the schemes used in the case study examinations covering the payment of leavers' benefits
- Revaluation requirements for the schemes
- The effects of overriding legislation on the benefits and options payable including the requirements of the HM Revenue & Customs and the Department for Work and Pensions
- How to apply statutory increases on deferred pensions for the period between date of exit and normal retirement date
- The Disclosure requirements
- The distinction between giving financial information and financial advice (in accordance with the latest Financial Services and Market Act)



PERFORMANCE CRITERIA	SCOPE
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Use the correct personal details from the member's record</li> <li>2. Show the full range of requested <b>options</b> which are allowed based on the member's record, the <b>scheme</b> rules and legislation</li> <li>3. Apply <b>scheme</b> definitions accurately</li> <li>4. Apply all relevant legislation correctly according to the dates of joining and leaving the <b>scheme</b></li> <li>5. Set out <b>calculations*</b> for each <b>option</b> according to accepted procedures</li> <li>6. Carry out <b>calculations*</b> manually for each <b>option</b> without arithmetical errors</li> <li>7. Calculate and provide information relating to HM Revenue &amp; Customs Regulations as appropriate</li> <li>8. <b>Write a letter</b> to the member, sponsor or Trustee and quote benefits which match your <b>calculations*</b></li> <li>9. Show the benefit <b>options</b> in an approved format and in accordance with accepted procedure</li> <li>10. Provide complete and accurate information to accompany the quotation</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <ol style="list-style-type: none"> <li>(A) Identify and apply <b>scheme</b> rules and definitions for <u>all</u> of the following: <ol style="list-style-type: none"> <li>(i) Final salary</li> <li>(ii) Career average revalued earnings (CARE)</li> <li>(iii) Money purchase</li> <li>(iv) Not contracted-out of SERPS/S2P</li> <li>(v) Contracted-out of SERPS/S2P</li> </ol> </li> <li>(B) Set out and provide fully worked manual <b>calculations*</b> for <u>all</u> of the following: <ol style="list-style-type: none"> <li>(i) Members leaving employment</li> <li>(ii) Members opting out of the scheme</li> </ol> </li> <li>(C) Determine the <b>options</b> open to members taking into account <u>all</u> of the following: <ol style="list-style-type: none"> <li>(i) The member's record</li> <li>(ii) Scheme rules</li> <li>(iii) Relevant legislation</li> </ol> </li> <li>(D) Use the <b>calculations*</b> from <u>one</u> of the case studies completed to <b>write a letter</b> to the member, sponsor or Trustee</li> </ol>

## EXPLANATION

.Calculations could include recalculating benefits to ensure minimum contracting-out requirements are met.

**UNIT 13: CALCULATE AND QUOTE PENSION SCHEME RETIREMENT BENEFITS FOR MEMBERS WITHOUT SPECIAL CIRCUMSTANCES**

**Aim**

**Learning Outcomes**

On successful completion of this unit candidates will know and understand:

- The scheme rules for each of the schemes used in the case study examinations covering the payment of retirement benefits
- How to apply actuarial factors
- How to apply annuity rates
- The effects of overriding legislation on the benefits and options including the requirements of the HM Revenue & Customs and the Department for Work and Pensions
- Treatment of Guaranteed Minimum Pension/Protected Rights and conditions for payment
- How to apply statutory increases on deferred pensions for the period between date of exit and date of retirement
- How to apply statutory increases on pensions in payment
- The Disclosure requirements
- Trustees' requirement for the discharge of benefits
- The distinction between giving financial information and financial advice (in accordance with the latest Financial Services and Markets Act)
- What information and documentation is required before the scheme can settle the benefits

PERFORMANCE CRITERIA	SCOPE
<p>You must show you can:</p> <ol style="list-style-type: none"> <li>1. Use the correct personal details from the member's record</li> <li>2. Show the full range of requested <b>options</b> which are allowed based on the member's record, the <b>scheme</b> rules and legislation</li> <li>3. Apply <b>scheme</b> definitions accurately</li> <li>4. Apply all relevant legislation correctly according to the reason for retirement and the dates of joining and leaving the scheme</li> <li>5. Set out the <b>calculations*</b> for each <b>option</b> accordingly to accepted procedures</li> <li>6. Carry out the <b>calculations*</b> manually for each <b>option</b> without arithmetical errors</li> <li>7. Recalculate benefits to meet minimum contracting-out requirements (if necessary)</li> <li>8. Calculate and provide information relating to HM Revenue &amp; Customs Regulations, as appropriate</li> <li>9. <b>Write a letter</b> to the member, sponsor or Trustee and quote benefits which match your <b>calculations*</b></li> <li>10. Show the benefit options in an approved format and in accordance with accepted procedure</li> <li>11. Provide complete and accurate information to accompany the quotation and requested payment details</li> <li>12. Give instructions to the addressee on the response you require</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <ol style="list-style-type: none"> <li>A. Identify and apply <b>scheme</b> rules and definitions for <u>all</u> of the following: <ol style="list-style-type: none"> <li>(i) Final salary</li> <li>(ii) Career average revalued earnings (CARE)</li> <li>(iii) Money purchase</li> <li>(iv) Not contracted-out of SERPS/S2P</li> <li>(v) Contracted-out of SERPS/S2P</li> </ol> </li> <li>B. Set out and provide fully worked manual <b>calculations*</b> for <u>all</u> of the following retirement benefit options: <ol style="list-style-type: none"> <li>(i) Full pension</li> <li>(ii) Cash sum with reduced pension</li> <li>(iii) Dependant's pension</li> </ol> </li> <li>C. Set out and provide fully worked manual <b>calculations*</b> for <u>all</u> of the following retirement benefit categories (from active and non-active status) <ol style="list-style-type: none"> <li>(i) Normal</li> <li>(ii) Early</li> <li>(iii) Late</li> <li>(iv) Ill health</li> </ol> </li> <li>D. Determine the <b>options</b> open to members taking into account <u>all</u> of the following: <ol style="list-style-type: none"> <li>(i) The member's record</li> <li>(ii) Scheme rules</li> <li>(iii) Relevant legislation</li> </ol> </li> <li>E. Use the <b>calculations*</b> from <u>one</u> of the case studies completed to <b>write a letter</b> to the member, sponsor or Trustee</li> </ol>

## EXPLANATION

.Calculations could include recalculating benefits to ensure minimum contracting-out requirements are met or suggesting a course of action if Lifetime Allowance limits are exceeded

## **UNIT 14: CALCULATE AND QUOTE PENSION SCHEME TRANSFERS IN AND TRANSFERS OUT**

### **Aim**

### **Learning Outcomes**

On successful completion of this unit candidates will know and understand:

- The scheme rules for each of the schemes used in the case study examinations relating to the calculation of transfer values out and the benefits provided by transfer values in
- How to apply actuarial factors
- The effects of overriding legislation on the benefits and options available in exchange for a transfer value
- The Disclosure requirements
- The distinction between giving financial information and financial advice (in accordance with the latest Financial Services and Market Act)
- What information and documentation is required before the scheme can settle the benefits
- The requirements of legislation on time scales and the guarantee period for the quotation

PERFORMANCE CRITERIA	SCOPE
<p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Use the correct personal details from the member's record</li> <li>2. Show full range of requested <b>options</b> which are allowed based on the member's record, the <b>scheme</b> rules and legislation</li> <li>3. Apply <b>scheme</b> definitions accurately</li> <li>4. Apply all relevant legislation correctly according to the dates of joining and leaving the <b>scheme</b></li> <li>5. Set out the <b>calculations</b> for each <b>option</b> according to accepted procedures</li> <li>6. Carry out the <b>calculations</b> manually without arithmetical errors</li> <li>7. Write a letter to the member, sponsor or Trustee and quote benefits which match your <b>calculations</b></li> <li>8. Show the benefit options in an approved format and in accordance with accepted procedure</li> <li>9. Provide complete and accurate information to accompany the quotation</li> <li>10. Give instructions to the addressee on the response you require</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <p>(A) Identify and apply <b>scheme</b> rules and definitions for <u>all</u> of the following:</p> <ol style="list-style-type: none"> <li>(i) Final salary</li> <li>(ii) Career average revalued earnings (CARE)</li> <li>(iii) Money purchase</li> <li>(iv) Not contracted-out of SERPS/S2P</li> <li>(v) Contracted-out of SERPS/S2P</li> </ol> <p>(B) Set out and provide fully worked manual <b>calculations</b> for <u>all</u> of the following:</p> <ol style="list-style-type: none"> <li>(i) The transfer value of benefits accrued while a member of an occupational pension scheme</li> <li>(ii) The additional benefits secured in a member's current scheme by the transfer value from a previous pension arrangement</li> </ol> <p>(C) Determine the <b>options</b> open to members taking into account <u>all</u> of the following:</p> <ol style="list-style-type: none"> <li>(i) The member's record</li> <li>(ii) Scheme rules</li> <li>(iii) Relevant legislation</li> </ol> <p>(D) Use the calculations from <u>one</u> of the case studies completed to <b>write a letter</b> to the member, sponsor or Trustee quoting benefits purchased in respect of a transfer-in from a previous Scheme</p> <p>(E) Use the calculations from <u>one</u> of the case studies completed to <b>write a letter</b> to the member, sponsor or Trustee quoting the transfer value available to a new Scheme</p>