



Short Service Refund Lump Sums for Occupational Pension Schemes

The Main Aim of this Unit is:

The aim of this Unit is to provide occupational pension scheme administrators with an understanding of the meaning of a Short Service Refund Lump Sum (SSRLS) for occupational schemes and the options available for members within Her Majesty's Revenue and Customs (HMRC) conditions for payment.

The learner will need to know and understand:

Regulations surrounding Early Leavers from a pension scheme

- Legislation concerning Vested rights
- Rights and options for early leavers

Regulations surrounding Short Service Refund Lump Sums

- Entitlement to a refund
- How Salary Sacrifice affects refunds
- Timescales & Disclosure requirements
- Taxation of refund payments
- Scheme Administration Member Payments (SAMP)
- Differences between Defined Contribution and Defined Benefit refunds

Contracted out rights

- How contracting out impacts on a member's refund payment
- Contributions Equivalent Premium
- Certified Amount
- Offsetting the Certified Amount with Scheme Administration Member Payments
- The rules surrounding Protected Rights

The Learning Outcomes for this unit are:

On successful completion of this unit the learner will:

1. Understand what a Short Service Refund Lump sum is and the circumstances under which it can be paid, including salary sacrifice schemes and the timescales for payment.

2. Understand the other options that may be available for a member leaving the scheme before retirement.

3. Understand the tax rules for Short Service Refund Lump Sums and how this impacts on the payment including the tax thresholds .
4. Understand how contracted-out benefits affect the Short Service Refund Lump Sum payment. This should include Contributions Equivalent Premiums and Certified Amounts.
5. Understand how SAMPs affect the Short Service Refund Lump Sum amount when refunding contributions to the member.
6. Know how to calculate a Short Service Refund Lump Sum Incorporating Contracted Out Benefits and a SAMP.

Assessment Method

Assessment is via examination compiled, carried out and marked in-house (PMI recognised centre).
Assessment is to cover all learning outcomes and topics for study in order to pass.