

## CALCULATE AND QUOTE PENSION SCHEME RETIREMENT BENEFITS FOR MEMBERS WITH SPECIAL CIRCUMSTANCES

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. Take into account any <b>supplementary and discretionary benefits</b></li> <li>5. Apply all relevant legislation correctly according to the reason for retirement and the dates of joining and leaving the scheme</li> <li>6. Set out the <b>calculations</b><sup>•</sup> for each <b>option</b> accordingly to accepted procedures</li> <li>7. Carry out the <b>calculations</b><sup>•</sup> manually for each <b>option</b> without arithmetical errors</li> <li>8. Recalculate benefits to meet minimum contracting-out requirements (if necessary)</li> <li>9. Calculate and provide information relating to HM Revenue &amp; Customs Regulations, as appropriate</li> <li>10. <b>Write a letter</b> to the member, sponsor or Trustee and quote benefits which match your <b>calculations</b><sup>•</sup></li> <li>11. Show the benefit options in an approved format and in accordance with accepted procedure</li> <li>12. Provide complete and accurate information to accompany the quotation and requested payment details</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) Take into account <u>all</u> of the following <b>supplementary and discretionary benefits</b>:</p> <ol style="list-style-type: none"> <li>(i) Split accruals and breaks in service (including part time service)</li> <li>(ii) Transfers-in</li> <li>(iii) Retained benefits</li> <li>(iv) Additional voluntary contributions</li> <li>(v) Augmentations</li> </ol> <p>(C) Set out and provide fully worked manual <b>calculations</b><sup>•</sup> for <u>all</u> of the following retirement benefit options (from active and non-active status)</p> <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> <p>(D) Set out and provide fully worked manual <b>calculations</b><sup>•</sup> for <u>all</u> of the following retirement benefit categories (from active and non-active status)</p> <ol style="list-style-type: none"> <li>(i) Normal</li> <li>(ii) Early</li> <li>(iii) Late</li> <li>(iv) Ill health</li> </ol> <p>(E) Determine the <b>options</b> open to members taking into account <u>all</u> of the following:</p>

<p>13. Give instructions to the addressee on the response you require</p>	<ul style="list-style-type: none"><li>(i) The member's record</li><li>(ii) Scheme rules</li><li>(iii) Relevant legislation</li></ul> <p>(F) Use the <b>calculations</b>• from <u>two</u> of the case studies completed to <b>write a letter</b> to the member, sponsor or Trustee</p>
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### 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

# **CALCULATE AND QUOTE PENSION SCHEME RETIREMENT BENEFITS FOR MEMBERS WITH SPECIAL CIRCUMSTANCES**

## **Knowledge and Understanding**

You need to show that you know and understand:

- K1** The scheme rules for each of the schemes used in the case study examinations covering the payment of retirement benefits
- K2** How to apply actuarial factors
- K3** How to apply annuity rates
- K4** 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
- K5** Treatment of Guaranteed Minimum Pension/Protected Rights and conditions for payment
- K6** How to apply statutory increases on deferred pensions for the period between date of exit and date of retirement
- K7** How to apply statutory increases on pensions in payment
- K8** The Disclosure requirements
- K9** Trustees' requirement for the discharge of benefits
- K10** The distinction between giving financial information and financial advice (in accordance with the latest Financial Services and Markets Act)
- K11** What information and documentation is required before the scheme can settle the benefits