

THE PENSIONS MANAGEMENT INSTITUTE

QUALIFYING EXAMINATION 2017

DEFINED BENEFIT ARRANGEMENTS

Notes: *Three hours are allowed for this paper. Answer all parts of all questions. In a multi-part question when the marks are not equally divided a guide to the available marks for each part is shown. A small number of marks may be awarded for appropriate and relevant communication and formatting.*

1. Under a salary related pension scheme, outline the factors which contribution levels depend upon, paying attention to whether the scheme is in surplus or deficit.
(20 marks)

2. Once in payment, pensions are increased according to legislation, scheme rules and employer practice. Taking these into account, write a short article for a company newsletter detailing the pension increases which may apply for a pension scheme that was contracted out.
(10 marks)

3. Describe how the Pension Regulator may scrutinise and intervene in the funding of a defined benefit pension scheme.
(10 marks)

4. Outline how flexible or phased retirement has been impacted since April 2015.
(5 marks)

5. Explain the consequences that the cessation of contracting out in April 2016 may or will have on employers and scheme members.
(20 marks)

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6. Describe the circumstances when a member might have a lifetime allowance factor applied to the lifetime allowance.

(10 marks)

7. Explain how a scheme based PPF levy is calculated.

(25 marks)