

Retirement Provision Pathway

PMI Level 6 Retirement Provision Pathway©2024 PMI

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About the Pensions Management Institute (PMI)

Founded in 1976, the Pensions Management Institute (PMI) is the UK's largest and most recognisable professional body for employee benefit 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 £1.3 trillion invested in pensions. We promote excellence through a range of services for the benefit of members, the wider economy and with over six million now saving as a result of automatic enrolment, society as a whole.

The purpose of the Institute 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 ensure that employee benefits and retirement savings professionals, whether they are scheme managers, consultants, administrators or trustees, are educated to the very highest standards and the latest legislation
- Provides continued lifelong learning designed to strengthen the knowledge and skills of employee benefit and retirement savings practitioners in performing to the best of their ability
- Plays a pivotal role 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 from entry-level to those for highly experienced professionals
- Provides industry-leading insight, including PMI News, 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 industry. If you choose a single unit, standalone qualification, or a multi-unit qualification over a number of years, it is recognised by the Pensions Industry as having the depth and rigour to demonstrate the knowledge and expertise of those taking them.

Syllabuses

Each syllabus area is presented in a form which is intended to give an indication of the depth and breadth of knowledge which is required. Each syllabus area is divided into sections with an initial statement, or learning outcome, indicating what is expected of learners. These learning outcomes are expressed through command verbs relevant to the level of study undertaken.

Command verbs themselves are broken down into those that are knowledge driven and those that require application. For all PMI assessments, your command verbs will be mainly made of the following (this list is just a guide):

Knowledge (up to Level 4) (Core Units)

Command Verb	Explanation
Define	State or describe the nature or scope of something
Describe	Express, fully and clearly, the details/facts of. (e.g. "Describe the benefits payable under a term assurance policy".)
Draw	Produce a representation of...a diagram, graph, chart etc. (e.g. "Draw a diagram to illustrate the profit-maximising price".)
Identify	Point out or choose the right one or give a list of the main features
Label	Attach a name to unidentified terms ...on a graph, chart, diagram, table (e.g. "Label the axes".)
List	Make a list of. (e.g. "List the Technical Actuarial Standards issued by the Financial Reporting Council".)
State	Express the details/facts of... without elaboration. (e.g. "State the principles of investment".)
Understand	To know the meaning of something
Use	Apply the information provided or apply prior learning. To put into service or action. Employ for a given purpose
Write Down	Provide exactly what has been asked for, without explanation or elaboration.

Application (up to Level 4) (Core Units)

Command Verb	Explanation
Calculate	Ascertain or reckon mathematically.
Construct	Produce what has been asked for, with appropriate structure. (e.g. "Construct a table showing...".)
Demonstrate	Prove with certainty or exhibit by practical means.
Derive	Develop a result from first principles (or from the given starting point),
Describe	Express, fully and clearly, the details/facts of. (e.g. "Describe the risks arising" under a specific given scenario.)
Determine	Find the solution by argument or calculation, making clear your reasoning. (e.g. "Determine the type of event that has occurred, based on the data provided".)
Draft	Produce a document in the specified format (e.g. report, letter, etc.)
Explain	Make clear the meaning or purpose or details of, or the justification for.
Express	Write down the result in the specified terms.
Give	Write down what has been asked for, without elaboration. (e.g. "Give an example of...".)
List	Make a list of. (e.g. "List the assumptions/rating factors that would be required to price this product".)
Outline	Describe briefly without elaboration or explanation.
Prepare	Make or get ready for use.
Prove	Demonstrate the truth of what is indicated, through mathematical argument.
Show	1. Demonstrate that the given result is correct. 2. Display the output of a specific part of a computer package item.
Solve	Find a mathematical answer to.
State	Express the details/facts of... without elaboration. (e.g. "State whether the investor should take a long or short position on the option in this situation".)
Verify	Demonstrate to be true.

Higher Order Skills (above Level 4)

Command Verb	Explanation
Analyse	Break down into component parts.
Assess	Judge the effectiveness, implications, relevance, importance, suitability and/or value of.
Comment on	Give brief conclusions on.
Compare	Highlight the similarities and differences between.
Contrast	Highlight the differences between.
Determine	Find the solution by argument or calculation, making clear your reasoning. (e.g. "Determine the most appropriate course of action for the company, within the given constraints".)
Discuss	Write about in some detail, taking into account different issues or points of view.
Estimate	Calculate a result, using judgement to decide on suitable assumptions and/or approximations. (Used when the result is not definitive. Assumptions made should be expressed clearly and intermediate workings should be shown.)
Evaluate	Judge the suitability of something for a given purpose.
Identify	Select after consideration of the possible options or alternatives.
Justify	Provide reasons to support.
Propose	Select and then communicate a solution, action or range of possible solutions/actions. (Justification is not expected unless explicitly asked for, e.g. "with reasons".)
Recommend	Select and then communicate a preferred solution or course of action. (Justification is not expected unless explicitly asked for, e.g. "with reasons".)
Set out	Write down in a structured way.
Suggest	Communicate a range of solutions, actions or reasons without justification. (This is normally used in a situation where there is insufficient information provided to form a definitive recommendation or proposal, e.g. "Suggest possible reasons" or "Suggest possible actions".)

Guidance Notes on the Use of Command Verbs

There should only be one command verb used per question. For example, learners are asked to describe or explain, not describe and explain.

You would not normally expect to see Knowledge and Application verbs used in the higher level modules. If they are to be used, then they will only be as 'a starter before the main meal'. For example, if it is necessary to **describe** (Knowledge) the different Quality Management Systems (QMS) before introducing the concept of **evaluating** (Higher Order) a single (and appropriate) QMS into the learners own organisation, then that is acceptable.

Qualification Aim

The pathway rewards and acknowledges the completion of core pension technical units that form part of the Retirement Provision pathway.

The aim of pathway is to provide the required professional knowledge, skills and understanding for an individual to undertake, after sufficient experience, a position as a pensions specialist within a self-administered scheme, a third party administrator, a life assurance company or the consulting and advisory services.

Level 6 Financial Services Professional Apprenticeship

This Retirement Provision Pathway can be used as part of the Level 6 Financial Services Professional Apprenticeship. Amongst the many benefits of the apprenticeship is the opportunity to access Government funding to cover the cost of the qualifications and any associated training. Further details on the apprenticeship can be found here: <http://www.pensions-pmi.org.uk/qualifications-and-learning/pmi-and-apprenticeships/>


Syllabus

The syllabus and the examinations for this qualification are based on the law and practice of the United Kingdom as it existed on 6 April the previous year, unless stated otherwise.

Level

This Retirement provision pathway has been benchmarked against the Regulated Qualification Framework to provide an outcome equivalent to a **Level 6** qualification.

The Pathway

	Pathway	Units and Qualifications needed to be completed
	Retirement	<ul style="list-style-type: none"> • Diploma in Retirement Provision (Mandatory) <ul style="list-style-type: none"> ◦ Core Units 1A, 2, 3 and 4 plus RRP • DBA unit • DCA unit • P&G unit

For this qualification it is expected that learners will successfully complete the following units:

- **Core Unit 1A (CU1A)**
- **Core Unit 2 (CU2)**
- **Core Unit 3 (CU3)**
- **Core Unit 4 (CU4)**
- **Reward and Retirement Provision (RRP)**
- **Defined Benefit Arrangements (DBA)**
- **Defined Contribution Arrangements (DCA)**
- **Professionalism and Governance (P&G)**

Qualification Structure and Assessment

The pathway is structured as follows:

Retirement Provision Pathway		
Mandatory Units to complete		
Unit Title	Level	Credits
Core Unit 1A - Understanding Retirement Provision	4	10
Core Unit 2 - Regulation of Retirement Provision	4	10
Core Unit 3 - Running a Workplace Pension Scheme	4	10
Core Unit 4 - Financing and Investing for Retirement Provision	4	10
Reward and Retirement Provision	6	20
Defined Benefit Arrangements	6	20
Defined Contribution Arrangements	6	20
Professionalism and Governance	6	20
Total to complete the Qualification		120

Total Qualification Time (TQT)

In making an estimate we have referenced the approach used by Ofqual (the English qualifications regulator). This is also known as Total Qualification Time (TQT) or Guided Learning Hours. TQT is comprised of:

1. Guided Learning Hours (GLH). This means time spent being taught by an instructor (and not necessarily face to face);
2. Assessment Time, and
3. Study Time. (this means self study/revision/reading)

The hourly allocations 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.

PMI Level 4 Diploma in Retirement Provision

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

Guided learning hours (GLH)	20	(Revision Courses)
Self-study (SS)	600	(Distance Learning/Use of Learning Website)
Formative Assessment (F)	21	(Mock Exams/Assignments)
Summative Assessment (S)	11	(Online Exams)
Total Assessment Time (TAT)	32	(F+S)
Total Qualification Time	652 Hours (GLH+SS+TAT)	

As GLH, as defined above is not common, we have estimated a total of 0 hours for this component.

PMI Retirement Provision Pathway

Guided learning hours (GLH)	40	(Distance Learning)
Self-study (SS)	1200	(Distance Learning/Use of Learning Website)
Formative Assessment (F)	54	(Mock Exams/Assignments)
Summative Assessment (S)	20	(Online Exams)
Total Assessment Time (TAT)	74	(F+S)
Total Qualification Time	1314 Hours (GLH+SS+TAT)	

Again, as GLH, as defined above is not common, we have estimated a total of 0 hours for this component.

Fees

All fees can be found through accessing the [PMI Qualifications pages](#) via the individual unit/pathways chosen.

Links with other qualifications and progression

Those learners who complete:

- Understanding Retirement Provision (CU1A);
- Regulation of Retirement Provision (CU2); and
- Reward and retirement Provision (RRP)

can apply for the [PMI Level 4 Diploma in Employee Benefits and Retirement Savings \(DEBRs\)](#) certificate and can continue in their studies to obtain the **PMI Level 4 Diploma in Retirement Provision (DRP)** or the **PMI Level 6 Retirement Provision Pathway** with the addition of the appropriate units.

Those learners who complete either the DEBRs or the DRP can apply to other educational establishments/universities to continue their studies at **Level 4** or above dependent on the type of qualification and the study establishment.

Those learners who complete the **PMI Retirement Provision Pathway** can apply to other educational establishments/universities to continue their studies at **Level 6** or above dependent on the qualification and the study establishment.

Membership Entitlement

Learners signing up to this pathway have to be at least **Student Members** of the PMI.

Student Members completing Diploma in Retirement Provision or the Diploma in Employee Benefits and Retirement Savings (DEBRs) will be eligible to join the **Professional Member** grade (PPMI).

Associate Membership (APMI) can be applied for when all qualifications & modules in the pathway are completed and the learner has been a **Professional Member** for at least 2 years.

Fellowship (FPMI) can be applied for when the member has been an **Associate Member** and completed the necessary CPD for a period of **5 years**.

Support and Recognition

These qualifications have been developed with the support of Industry bodies that support the Pension sector in the United Kingdom.

Regulation

Retirement Provision Pathway regulated by Ofqual. Individual qualifications contained in each Pathway are also regulated by Ofqual.

Ofqual is 'The Office of Qualifications and Examinations Regulation' and as such is a non-ministerial government department that regulates qualifications, exams and tests in England.

CU1A – Understanding Retirement Provision

Unit Aims

To provide an introductory overview of retirement provision in the UK including an appreciation of:

- how workplace pensions have developed, the different types of workplace provision and how they sit alongside State Pension Provision
- the key features of automatic enrolment, trust and contract-based provision
- the roles and responsibilities of those involved in running workplace pensions
- personal savings and the options for retirement saving
- employee engagement with retirement provision

Unit Level	4	Unit Reference	CU1A
TQT	167	Unit Grading Structure	Pass/Fail (65% pass boundary)
Assessment Guidance		Multiple Choice Exam (online) (online)	
Learning Outcomes - The Learner will:		Syllabus - The Learner can:	
1. Demonstrate an understanding the origins and overview of retirement provision		(A) Describe the aspects and involvement of the: <ul style="list-style-type: none"> • State • Workplace • Individual 	
2. Demonstrate an understanding of the context and the factors which influence the development of retirement provision in the UK		(A) Identify changes to State pension age, State benefits, historic and forthcoming legislation (B) Explain the options available to access pension saving (C) Define demographics (D) Outline changing social trends (E) Describe balancing work, retirement and income (F) Explain different income needs in retirement and options	
3. Describe the main State retirement benefits and other benefits an individual might receive from the State and how those retirement benefits are calculated		(A) Describe the features of: <ul style="list-style-type: none"> • The New State Pension • Basic State Pension • State Second Pension (S2P) • Pensions Credit (B) Outline the features of other State benefits	

4. Describe the role of the key parties involved in retirement provision, the operation of a workplace pension scheme, their interaction and any conflicts of interest

(A) Understand and distinguish between the roles of the following:

- Government departments
- Regulatory bodies
- Advisers (including consultants, legal advisers, investment advisers, scheme actuary and auditors)
- Members and their dependants
- Employers/pensions manager, payroll and human resources
- Secretary to the Trustees
- Service providers, including administrators
- Investment Managers
- Insurer(s)

<p>5. Identify the roles and functions of the bodies that regulate pension schemes and provide assistance or protection to members and employers</p>	<p>(A) Outline the role and powers of:</p> <ul style="list-style-type: none"> • The Pensions Regulator (TPR) • Department for Work and Pensions (DWP) • HM Revenue & Customs (HMRC) • Pensions Ombudsman Service • Financial Ombudsman Service • PPF Ombudsman • The Money and Pensions Service (MaPS) • Citizens Advice Service (including Citizens Advice Bureau) • Pension Protection Fund (PPF) • Financial Conduct Authority (FCA) • Financial Assistance Scheme (FAS) • Financial Services Compensation Scheme (FSCS) • National Insurance Services to the Pensions Industry (NISPI) • The Information Commissioner • The Pension Tracing Service
<p>6. Explain the main features of the employer duties for automatic enrolment and re-enrolment</p>	<p>(A) Describe automatic enrolment, contractual enrolment and re-enrolment</p> <p>(B) Define jobholders and workers</p> <p>(C) Identify:</p> <ul style="list-style-type: none"> • qualifying earnings and pay reference periods • qualifying schemes and automatic enrolment schemes <p>(D) Explain phasing in and staging</p> <p>(E) Describe the communication requirements and timescales</p> <p>(F) Explain the role of the Pensions Regulator</p>
<p>7. Distinguish between the different methods of providing and delivering pensions and the different benefits and options</p>	<p>(A) Identify the essential features, legal structure, delivery model and characteristics of workplace pension schemes</p> <p>(B) Identify the key features of occupational pension schemes, personal pensions, stakeholders and SIPPs</p> <p>(C) Identify the key features of automatic enrolment schemes including master trusts and their roles</p> <p>(D) Explain the roles of the employer, trustees, providers, and employer and provider governance committees</p>
<p>8. Demonstrate an understanding of the different types of benefit design found in pension schemes</p>	<p>(A) Describe the main benefit design features of the following schemes:</p> <ul style="list-style-type: none"> • Defined benefit (final salary and career average) • Defined contribution • Cash balance • Hybrid arrangements • Risk sharing schemes

<p>9. Understand the context and the main types, and principal features, of workplace pension schemes found in both the private and public sectors, and explain the difference between insured and self-administered schemes</p>	<p>(A) Define public sector benefit structure</p> <p>(B) Describe:</p> <ul style="list-style-type: none"> • Private Sector Benefit Structures • Master Trusts • Cross Border Schemes <p>(C) Identify the features of:</p> <ul style="list-style-type: none"> • Insured Schemes • Self-administered Schemes • Executive Pension Arrangements and Employer Financed Retirement Benefit Schemes
<p>10. Demonstrate an understanding of the financing of pension schemes</p>	<p>(A) Describe the financing of the following workplace pension schemes:</p> <ul style="list-style-type: none"> • Defined Benefit • Defined Contribution • Collective Defined Contribution (CDC) • Pay As You Go (PAYG)
<p>11. Describe what an employer might consider when selecting a trust, master trust or contract-based arrangement</p>	<p>(A) Identify the advantages and disadvantages of each when selecting a:</p> <ul style="list-style-type: none"> • Trust • Master Trust • Contract-Based Arrangement
<p>12. Describe the options for personal savings</p>	<p>(A) Outline the features of the following:</p> <ul style="list-style-type: none"> • Personal Investments • Alternative Investments • Insurances
<p>13. Describe the options available for retirement saving</p>	<p>(A) Outline the features of:</p> <ul style="list-style-type: none"> • Tax Advantaged Savings Vehicles • Property • Pension Arrangements
<p>14. Understand the main features of employee communications with saving for retirement</p>	<p>(A) Outline:</p> <ul style="list-style-type: none"> • Statutory Disclosure Requirements • The concepts of Advice and Guidance

CU2 – Regulation of Retirement Provision

Unit Aims

To provide an overview of the regulation of retirement provision in the UK including an appreciation of:

- legal and taxation aspects
- compliance with regulation and where administrators need to focus on compliance issues
- the bodies responsible for defining, monitoring and oversight
- how the employee is supported by the financial services industry
- current issues

Unit Level	4	Unit Reference	CU2
TQT	167	Unit Grading Structure	Pass/Fail (65% pass boundary)
Assessment Guidance		Multiple Choice Exam (online)	
Learning Outcomes - The Learner will:		Syllabus - The Learner can:	
1. Analyse a registered pension scheme and the tax treatment conferred by registered scheme status		(A) Outline the Finance Act 2004 including the tax treatment of: <ul style="list-style-type: none"> • contributions • investment • benefits (retirement and death) 	
2. Understand the context of the principal features of the current tax regime governing registered pension schemes		(A) Define Benefit Crystallisation Events and the Lifetime Allowance, including protection (B) Outline the features of the Annual Allowance, including the Tapered Annual Allowance and the Money Purchase Annual Allowance (C) Identify authorised and unauthorised payments	
3. Understand the tax treatment of unregistered schemes		(A) Define: <ul style="list-style-type: none"> • Employer Funded Retirement Benefit Schemes • Qualifying Recognised Overseas Pension Schemes • Excepted Life Schemes 	
4. Understand the implications of differences in Jurisdiction (England & Wales, Scotland and Northern Ireland) on retirement provision		(A) Explain the implications in the following areas: <ul style="list-style-type: none"> • sources of law • Income Tax • options on divorce 	

5. Understand the roles and functions of the bodies that regulate pension schemes and provide protection to members and employers

(A) Explain the role and powers of:

- The Pensions Regulator (TPR)
- HM Revenue & Customs (HMRC)
- Financial Conduct Authority (FCA)
- Department for Work and Pensions (DWP)
- Financial Services Compensation Scheme (FSCS)
- Pension Protection Fund (PPF)
- Pensions Ombudsman and Financial Services Ombudsman

<p>6. Demonstrate an understanding of the principles of trust law and the role and responsibilities of pension scheme trustees and evaluate why trusts are used in a pensions context</p>	<p>(A) Identify the main features of a trust (B) Distinguish between trust and contract-based alternatives for workplace pensions, including master trusts (C) Identify the different types of trustees (D) Analyse the appointment and removal of trustees (E) Explain the duties and powers of trustees:</p> <ul style="list-style-type: none"> • investment powers • exercise of discretions • delegation • meetings and minutes • trustees' liability and protection • trustee knowledge and understanding (TKU) <p>(F) Identify notifiable events (G) Describe the Pensions Regulator's Codes of Practice and guidance notes</p>
<p>7. Describe the way in which pension schemes are established, the methods for changing trustees and employers and for amending schemes and explain the possible constraints on such amendments</p>	<p>(A) Explain the trust deed and rules (B) Outline relevant employee communications (C) Explain how the following can be effected:</p> <ul style="list-style-type: none"> • changing employers • changing trustees • amending deeds <p>(D) Outline the powers of amendment (E) Identify overriding legislation and relevant case law (F) Analyse the relevant practical considerations (G) Explain the process of consultation and notification to members</p>
<p>8. Distinguish between a share sale and a business sale and demonstrate an understanding of the duties of trustees in such situations and the related issues</p>	<p>(A) Explain share sales and business sales (and key differences between them) (B) Analyse sale and purchase agreements (C) Evaluate past and future service provision (including Transfer of Undertakings [Protection of Employment] Regulations [TUPE]) (D) Explain the following:</p> <ul style="list-style-type: none"> • section 75 debts • anti-avoidance and clearance • apportionment of liabilities • withdrawal arrangements <p>(E) Analyse scheme mergers</p>

<p>9. Understand the context of the duties imposed on the 'scheme administrator' by the Finance Act 2004</p>	<p>(A) Outline the characteristics of effective record keeping (B) Describe information requirements for:</p> <ul style="list-style-type: none"> • HM Revenue & Customs • members • other scheme administrators
<p>10. Describe the requirements for communication with members</p>	<p>(A) Explain the legal requirements for each of the following types of disclosure:</p> <ul style="list-style-type: none"> • automatic • on request • e communications/multi-media
<p>11. Demonstrate an understanding of the importance of a governance structure</p>	<p>(A) Explain the features of scheme governance (B) Outline the roles of the employer, trustees, governance committees and providers (C) Outline the importance of:</p> <ul style="list-style-type: none"> • risk management • member communication and engagement • investment and manager selection
<p>12. Outline other laws which impact on UK pension provision</p>	<p>(A) Analyse the impact of:</p> <ul style="list-style-type: none"> • GDPR/Data Protection • divorce, civil partnership and same sex marriages • family law • human rights • equal treatment and discrimination (including age discrimination) • dismissal and redundancy • anti-money laundering and anti-bribery • information and consultation regulation • Value Added Tax (VAT) • European Union law

13. Demonstrate an understanding of current issues

(A) Analyse the impact of:

- cessation of contracting out and scheme reconciliations
- data protection
- pensions dashboard
- Guaranteed Minimum Pension (GMP) equalisation/conversion
- pension scams
- data quality and the scheme return
- defined benefit to defined contribution transfers
- pension advice allowance and provision of advice at retirement (robo advice)
- a Green Paper (including consultation)
- TPR consultation professional trustees
- the impact of BREXIT

<p>14. Understand how companies and individuals working in the pensions field are regulated by the FCA</p>	<p>(A) Outline the characteristics of:</p> <ul style="list-style-type: none"> • statements of principle • financial advice • best advice • treating customers fairly • advertising and promotion • regular reviews of suitability • asset management market study • Financial Advice Market Review (FAMR)
<p>15. Explain how the consumer is served by the financial services industry</p>	<p>(A) Describe the role of the providers of financial products (B) Explain the relationship between product providers, advisers and consumers (C) Analyse the perception of financial services (D) Identify the main financial needs and how they are met</p>

CU3 – Running a Workplace Pension Scheme

Unit Aims

To provide an overview of the requirements of running a workplace pension scheme, including an appreciation of:

- the implications of the tax and regulatory regimes that apply to workplace pensions
- scheme administration, payroll and financial administration
- the importance of data and data protection
- the calculation and payment of benefits
- the role of technology

Unit Level	4	Unit Reference	CU3
TQT	167	Unit Grading Structure	Pass/Fail (65% pass boundary)
Assessment Guidance		Multiple Choice Exam (online)	
Learning Outcomes - The Learner will:		Syllabus - The Learner can:	
1. Demonstrate an understanding of administration system design		(A) Analyse each of the following: <ul style="list-style-type: none"> • system requirements • contractual enrolment, automatic enrolment and re-enrolment processes • interfaces with payroll and human resources • data protection • end to end processing • online functionality • cyber security 	
2. Demonstrate an understanding of ongoing scheme requirements and implications for payroll and HR		(A) Explain the requirements for each of the following: <ul style="list-style-type: none"> • new employees, contractual enrolment and automatic enrolment • employees opting-out and re-enrolment processes • divorce, court orders and pension credit members • individual bankruptcy • renewals/interfaces and disclosure • record keeping • relevant Pensions Regulator Codes of Practice and guidance notes 	
3. Demonstrate an understanding of the main features of automatic enrolment		(A) Define Jobholders and Workers (B) Explain the following: <ul style="list-style-type: none"> • staging dates • postponement (C) Distinguish between the different options for Qualifying Schemes (D) Explain the administrative requirements (E) Describe the communication requirements and timescales (F) Explain compliance and the Pensions Regulator	

<p>4. Understand the main features of employee communication with saving for retirement</p>	<p>(A) Outline the importance of effective communication and identify the different methods of communication:</p> <ul style="list-style-type: none"> • electronic or paper based • face to face <p>(B) Distinguish between statutory disclosure requirements and those arising from best practice</p>
<p>5. Describe the procedures required for the different taxation allowances</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> • Annual Allowance, including Tapered Annual Allowance and Money Purchase Annual Allowance • Lifetime Allowance • the various protection regimes
<p>6. Demonstrate an understanding of the key features of delivering pension benefits</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> • different service delivery models e.g. outsourcing, co-sourcing, front office/back office, off shoring • organisation of work • key stakeholders – their roles and responsibilities • service delivery models • target setting
<p>7. Outline the various benefit crystallisation events when an individual leaves a workplace pension scheme and understand the advantages and disadvantages, administrative requirements including the provision of guidance and risks associated with different benefit options</p>	<p>(A) Describe the options on early leaving, refunds, deferred benefits, transfers (in and out)</p> <p>(B) Define the options before retirement, including redundancy and ill-health</p> <p>(C) Identify the benefits payable on death</p> <p>(D) Explain the options available arising from divorce and the dissolution of civil partnerships</p> <p>(E) Describe the retirement options:</p> <ul style="list-style-type: none"> • ill-health retirement • phased retirement • flexible retirement • lump sum options including trivial commutation • uncrystallised funds pension lump sums • income drawdown (capped and flexible) • different types of annuities

8. Demonstrate an understanding of accounts and treasury requirements

(A) Explain the requirements for each of the following:

- timing of contribution payments
- money transfer processes and authorities
- record keeping
- reporting
- reconciliation processes
- accounting standards

<p>9. Describe the scheme level administration requirements</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> • bank accounts and cash management • annual report and accounts, scheme accounting and audit • annual renewals
<p>10. Demonstrate an understanding of pensioner payroll requirements</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> • taxation of lump sum options • application of tax codes • accounting for tax deducted • application of pension increases • record keeping • reporting • treatment of overpayments or underpayments and communication • combatting identity fraud • responding to guidance such as payments overseas • member insolvency • earmarking orders
<p>11. Explain from a UK perspective the practical benefit considerations to be taken into account when a member moves abroad</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> • residence overseas before and after retirement including temporary absence abroad • cross border regulations • overseas transfer charge
<p>12. Demonstrate an understanding of current issues and outline recent developments in legislation and forthcoming changes that will impact on the governance of retirement provision</p>	<p>(A) Explain the impact of recent developments:</p> <ul style="list-style-type: none"> • DC Code and How to Guides • combating pension scams • cyber security
<p>13. Describe the procedures to be adopted in connection with the winding up of a trust-based pension scheme and demonstrate an understanding of the powers and duties of trustees in such situations and related issues</p>	<p>(A) Outline the interaction with the employer (B) Explain scheme termination (C) Define the procedure for wind up (D) Explain the importance of tracing members explain the issue of company insolvency outline the role of the:</p> <ul style="list-style-type: none"> • Pension Protection Fund • Financial Assistance Scheme <p>(E) Describe discharging duties on termination</p>

CU4 – Financing and Investing for Retirement Provision

Unit Aims

To provide an overview of how employers and employees pay for workplace pensions and distinguishing between defined benefit and defined contribution arrangements and including an appreciation of:

- the factors which will influence the funding strategy, including the taxation regime
- risk appreciation and management
- financial regulation
- accounting and tax issues
- investment, investment management, investment strategy and governance

Unit Level	4	Unit Reference	CU4
TQT	167	Unit Grading Structure	Pass/Fail (65% pass boundary)
Assessment Guidance		Multiple Choice Exam (online)	
Learning Outcomes - The Learner will:		Syllabus - The Learner can:	
1. Demonstrate an understanding of the principal reasons why retirement benefits are financed		(A) Analyse the following: <ul style="list-style-type: none"> • Security • Stability and cash flow • Taxation • Accounting practices 	
2. Understand how workplace pension schemes are financed		(A) Describe: <ul style="list-style-type: none"> • Funding • Employer and employee contributions • Employer contribution calculations • Valuations (B) Outline the features of: <ul style="list-style-type: none"> • Salary Sacrifice • Additional Voluntary Contributions (AVCs) 	
3. Demonstrate an understanding of the tax regime and allowances the tax treatment of scheme investments		(A) Explain the tax relief/charges for/on the following: <ul style="list-style-type: none"> • Contributions • Payments (B) Analyse each of the following: <ul style="list-style-type: none"> • Investment income/capital gains • Property • Insurance policies • Overseas investments • Income from trade • Withholding tax 	

<p>4. Understand the different types of investments available to pension funds, explain their differences and suitability for different types of retirement provision</p>	<p>(A) Analyse the nature of equities:</p> <ul style="list-style-type: none"> • UK • Overseas • New issues and underwriting <p>(B) Analyse the nature of bonds:</p> <ul style="list-style-type: none"> • Fixed interest – government/corporate, overseas, high-yield and emerging market debt • Index linked • New issues and underwriting <p>(C) Outline the other assets available:</p> <ul style="list-style-type: none"> • Property • Cash • Currency and currency hedging • Derivatives • Liability Driven Investment (LDI) • Commodities • Absolute return funds, including diversified growth funds • Infrastructure • Insurance policies • Stock lending/underwriting • Buy outs/ins, with profits, annuities <p>(D) Describe the role of equities:</p> <ul style="list-style-type: none"> • The different types of equity • How do equities generate a return • What are the risks involved • When to invest in equities • Diversification issues arising from equity investment
<p>5. Understand trustee's duties and the financial regulation of workplace pension schemes</p>	<p>(A) Explain the impact of/for the following:</p> <ul style="list-style-type: none"> • Master Trust Regulation • DB Scheme Consolidation • Financial Services and Markets Act 2000 (FSMA) • Pensions Act 2004 • The Pensions Regulator • Pension Protection Fund's responsibilities when dealing with investment and financing • New funding regulations with LTO requirements

6. Describe the financial administration and governance of workplace pension schemes

(A) Explain the following aspects:

- Contribution management
- Cash flow management
- Accounting for tax
- Investment records
- Scheme accounts
- Accounting standards
- Employer accounts

<p>7. Explain the considerations of:</p> <ul style="list-style-type: none"> (a) Member (b) Trustee (c) Provider (d) Employer <p>for an individual when determining the investment strategy for and during retirement for both DB and DC schemes</p>	<p>(A) Analyse the impact of the following:</p> <ul style="list-style-type: none"> • Life expectancy • Income needs and shape in retirement • Expected retirement age • Size of existing fund and future contributions • Investment funds available including lifestyle, target date and default and the need to review these on a regular basis • Attitude to risk • Role of regulation and legislation • Costs and charges <p>(B) Understand the impact on liabilities of future economic conditions in respect of:</p> <ul style="list-style-type: none"> • Interest rates • Inflation
<p>8. Demonstrate an understanding of the roles and responsibilities of employer and trustees in the provision of investment options for defined contribution schemes including master trusts, and DB scheme consolidators</p>	<p>(A) Explain the following:</p> <ul style="list-style-type: none"> • Implications of size and type of scheme • Default funds • Retirement ages outcome assessment • Charges • Member education <ul style="list-style-type: none"> ○ decision making and engagement ○ knowledge and communication • Master trusts • Advice and Options: <ul style="list-style-type: none"> ○ drawdown ○ investment decisions ○ investment pathways

9. Describe what factors should be taken into account when determining a trust-based defined benefit scheme's overall investment strategy

(A) Analyse the impact of the following:

- Member demographics
- Size and type of scheme
- Strength of employer covenant:
 - what is the employer covenant
 - how it is affected by market conditions etc
 - how it is assessed and changed
- Role of regulation and legislation
- Employer and trustee attitude to risk
- Statement of Investment Principles
- De-risking strategies:
 - under new funding regulations
 - with the requirement of a long-term funding strategy
- Diversification
- Economic conditions

<p>10. Understand the responsibility of the sponsor for the legacy defined benefit scheme and of removing the risk of further rising costs.</p>	<p>(A) Explain the rationale and processes of:</p> <ul style="list-style-type: none"> • Buy Outs • Buy In's • Annuity Policies <p>(B) Understand the role of:</p> <ul style="list-style-type: none"> • Bulk Annuity Insurers • The PRA • Planning the purchase of a bulk annuity
<p>11. Distinguish between the various approaches to investment management and outline how, why and which size and type of scheme each might be used</p>	<p>(A) Analyse the following:</p> <ul style="list-style-type: none"> • Segregated and pooled funds • Active and passive management • Manager structures; multi manager funds, in house management, delegation • Fiduciary management in operation <p>(B) Evaluate the various approaches to investment management and discuss where each approach may be used</p>
<p>12. Outline factors taken into consideration when selecting, monitoring and changing investment managers</p>	<p>(A) Explain each of the following:</p> <ul style="list-style-type: none"> • Manager selection process • Custody and title of assets • Fee structure • Setting performance targets • ESG • TCFD Reporting • Investment management agreements • Administration • Transition management • Frequency of monitoring and governance • Multiple managers • Transition risk

DBA – Defined Benefit Arrangements

Unit Aims

To provide an in depth understanding of trust-based defined benefit (DB) arrangements, building on and utilising the knowledge gained in the core units and applying it in a variety of scenarios, recognising the requirements of different stakeholders.

Unit Level	6	Unit Reference	DBA
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TQT	247	Unit Grading Structure	Pass/Fail (65% pass boundary)
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Assessment Guidance	Multiple Choice Exam (online)
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Learning Outcomes - The Learner will:

Syllabus - The Learner can:

- 1.** Demonstrate an understanding of the factors which influenced defined benefit scheme design and the trend for new arrangements to be defined contribution schemes.

(A) Explain the impact of the following:

- employer needs
- employee needs
- legislation
- corporate activity
- State provision
- administrative considerations
- eligibility conditions, contractual enrolment and automatic enrolment
- design of contribution structures
- salary sacrifice and its application
- new developments

- 2.** Understand the different types of DB arrangements and current trends

(A) analyse each of the following workplace arrangements:

- final salary (including cash balance)
- career average
- defined ambition (risk sharing schemes)

(B) Analyse individual and executive arrangements

- 3.** Demonstrate an understanding of certain key features of the tax system that apply to defined benefit schemes

(A) Analyse the impact of the following:

- tax relief on contributions and investment return
- authorised and unauthorised payments
- Annual Allowance
- Lifetime Allowance
- protection
- Benefit Crystallisation Events
- registration and de registration
- scheme pays

<p>4. Identify the roles of the employer and trustees</p>	<p>(A) Evaluate the importance of:</p> <ul style="list-style-type: none"> • legal requirements • good governance and best practice including the voluntary "Code of Good Practice" on Incentive Exercises • governance and impact on member outcomes <p>(B) evaluate each of the following:</p> <ul style="list-style-type: none"> • selection, appointment, management, monitoring and review of advisers, delivery vehicles and providers
<p>5. Demonstrate an understanding of the impact of the abolition of contracting out</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> • historic requirements • changes to scheme design • reporting requirements (leavers; retirements; solvency) • GMP equalisation/reconciliation/convergence • cessation

6. Describe the scheme level requirements for the administration of DB arrangements

(A) Active, deferred and pensioner members:

- communication
 - disclosure
 - pension saving statements
 - Additional Voluntary Contribution (AVC) Statutory Money Purchase Illustrations
- reconciliation procedures
- AVC
 - Investments
 - switching/redirection
 - charges
 - guarantees

(B) Options on early leaving:

- refunds
- deferred benefits,
- transfers (in and out) including public sector restrictions

(C) Retirement options:

- retirement
- ill-health retirement
- phased retirement
- flexible retirement
- lump sum options including trivial commutation
- open market option and different types of annuities

(D) Death benefits:

- on death before and after retirement
- payment of lump sums and dependant's pensions
- record keeping

<p>7. Describe the scheme level requirements for the administration of defined contribution AVC arrangements</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> objectives of defined contribution administration <ul style="list-style-type: none"> contribution and investment processing cycle legislative requirements for member contributions reconciliation procedures
<p>8. Demonstrate an understanding of the legal requirements relating to the funding of registered pension schemes and the practical issues to which they can give rise</p>	<p>(A) Describe and explain the principles of scheme financing (B) Outline scheme specific funding (C) Analyse funding objectives and measurement (D) Explain each of the following:</p> <ul style="list-style-type: none"> financial and demographic assumptions calculations of contribution rates the treatment of types of asset and liability use of contingent assets setting factors for early/late retirement commutation, transfer factors the calculation of individual and group transfer values actuarial valuations and reports the role of the Pensions Regulator <p>(E) Outline annual funding statements (F) Explain the significance of employer covenant (G) Define recovery plans and the schedule of contributions (H) Outline company accounting standards for pension schemes</p>
<p>9. Identify and distinguish between different methods of actuarial funding</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> projected unit method attained age method discontinuance Section 179 Pension Protection Fund basis accounting standards

10. Describe what factors should be taken into account when determining a defined benefit fund's overall investment strategy

(A) Analyse the impact of the following:

- size of scheme, funding level
- strength of employer covenant
- role of regulation and legislation
- employer and trustee attitude to risk
- cash flow requirements
- liability profile
- asset/liability modelling
- liability driven investment
- asset allocation
- risk management
- Statement of Investment Principles
- de-risking strategies

<p>11. Demonstrate an understanding of the approaches to managing risk, de-risking and the advantages and disadvantages of each</p>	<p>(A) Define and analyse the current approaches:</p> <ul style="list-style-type: none"> • buy in/buy out • longevity swaps • liability driven investment
<p>12. Demonstrate an understanding of the Pension Protection Fund (PPF) levy</p>	<p>(A) Describe and explain</p> <ul style="list-style-type: none"> • the purpose of the PPF levy • the calculation basis and issues arising
<p>13. Demonstrate an understanding of the stages of restructuring a defined benefit scheme</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> • reviewing benefit design • changing future benefit or contribution structure • closing to new entrants • ceasing future accrual • operating as a closed scheme • winding up • cessation of contracting out
<p>14. Describe the procedures to be adopted in connection with the winding up of a pension scheme and demonstrate an understanding of the powers and duties of trustees in such situations and related issues</p>	<p>(A) Outline the interaction with the employer (B) Explain scheme termination (C) Define the procedure for wind up (D) Explain the issue of company insolvency outline the role of:</p> <ul style="list-style-type: none"> • The Pension Protection Fund • The Financial Assistance Scheme <p>(E) Describe discharging benefits on termination</p>
<p>15. Describe the process to be followed for a pension scheme's journey into the Pension Protection Fund and demonstrate an understanding of the duties of trustees in such situations and related issues</p>	<p>(A) Explain the stages in the process:</p> <ul style="list-style-type: none"> • Section 120 notice • assessment period • transition • compensation • entry to the PPF • communication • project management <p style="text-align: right;">• timescale s</p>

16. Demonstrate an understanding of the challenges created by legacy issues

(A) Understand the challenges created by:

- administering legacy arrangements
- contracting out
- reporting requirements
- data standards
- resolution of data discrepancies

DCA – Defined Contribution Arrangements

Unit Aims

To provide an in depth understanding of trust and contract-based Defined Contribution (DC) arrangements, building on and utilising the knowledge learners have gained in the core units to show that they can apply this in a variety of scenarios, recognising the requirements of different stakeholders.

Unit Level	6	Unit Reference	DCA
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TQT	247	Unit Grading Structure	Pass/Fail (65% pass boundary)
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Assessment Guidance	Multiple Choice Exam (online)
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Learning Outcomes - The Learner will:

Syllabus - The Learner can:

- 1.** Demonstrate an understanding of the factors which influence DC arrangement design and their influence on administration

(A) Explain the impact of the following:

- employee needs
- employer strategy including corporate activity
- legislation and legacy issues
- State provision
- administrative considerations
- eligibility conditions, contractual enrolment and automatic enrolment
- design of contribution structures including automatic enrolment phasing
- salary sacrifice and its application
- charging structures and costs

- 2.** Understand the different types of DC arrangements and current trends

(A) Analyse each of the following workplace arrangements:

- trust-based
- contract-based
- group
- employer-sponsored arrangements
- bundled and unbundled arrangements
- master trusts

- 3.** Evaluate the importance of system design in the administration of DC arrangements

(A) Analyse the impact of the following:

- system requirements
- legislative requirements
- interfaces
- online access
- online enrolment
- Straight Through Processing

<p>4. Demonstrate an understanding of the regulatory bodies and their key functions and consider the financial aspects of DC administration</p>	<p>(A) Explain the functions of each of the following:</p> <ul style="list-style-type: none"> • Her Majesty's Revenue & Customs • The Pensions Regulator • Financial Conduct Authority/The Prudential Regulation Authority <p>(B) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> • bank accounts • cash management • scheme accounts and auditing • risk benefits and re-broking
<p>5. Describe the member level requirements for the administration of DC arrangements</p>	<p>(A) Explain the procedures involved in:</p> <ul style="list-style-type: none"> • contribution management • contribution investment processing including: • payment of contributions • investment switches/redirections • purchase of units • unit reconciliation checks • disinvestments • analyse the impact of the following: • tax relief on contributions • Annual Allowance, Tapered Annual Allowance and Money Purchase Annual Allowance and Scheme Pays • active and deferred member communications: • pension savings statements • benefit statements and Statutory Money Purchase Illustrations

<p>6. Explain the authorised pension benefits payable from DC arrangements</p>	<p>(A) Describe each of the following:</p> <ul style="list-style-type: none"> • Options on early leaving: <ul style="list-style-type: none"> ○ refunds ○ deferred benefits • Transfer options • Death benefit options: <ul style="list-style-type: none"> ○ death in service ○ death in deferment ○ death in retirement • Retirement options: <ul style="list-style-type: none"> ○ different types of annuities, including enhanced and the open market option ○ lump sum options including full commutation ○ income drawdown (capped and flexible) ○ uncrystallised funds pension lump sum ○ at/when given retirement advice • Timing of retirement <ul style="list-style-type: none"> ○ early retirement ○ phased/flexible retirement ○ ill-health retirement • Closing and winding up schemes • Disclosure requirements including retirement risk warnings <p>(B) Analyse the impact of the Lifetime Allowance:</p> <ul style="list-style-type: none"> • various protection regimes • Benefit Crystallisation Events • registration and de-registration
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<p>7. Identify the roles of the employer, trustees, providers and employer and provider governance committees and distinguish between trust-based and contract-based pension arrangements</p>	<p>(A) Evaluate each of the following:</p> <ul style="list-style-type: none"> • governance structures/committees: • trustee (e.g. DC sub-committee/master trust) • employer • provider <p>(B) Evaluate the importance of:</p> <ul style="list-style-type: none"> • legal requirements around governance • best practice • charges and value for money • internal controls • conflicts of interest • record keeping and regular reconciliations • the Chair's statement • risk management including reviewing advisers, delivery vehicles and providers • good member outcomes including member communication and engagement <p>(C) Describe the role of the Pensions Regulator in supporting good governance in relation to:</p> <ul style="list-style-type: none"> • Guidance • Code of Practice • How to Guides
<p>8. Describe what factors should be taken into account by employers, trustees and governance committees when determining investment strategy</p>	<p>(A) Analyse the impact of the following:</p> <ul style="list-style-type: none"> • default funds and their review • range of funds • monitoring performance • Statement of Investment Principles • Investment Governance Group Principles
<p>9. Understand the investment considerations for members of DC arrangements</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> • different types of investments and the risk attached to each: <ul style="list-style-type: none"> ◦ default funds ◦ target date funds ◦ lifestyle options • types of investment management and charging • investment platforms • lifestyle strategies

<p>10. Demonstrate an understanding of individual arrangements and specialist pension provision for executives and directors</p>	<p>(A) Describe each of the following:</p> <ul style="list-style-type: none"> • different arrangements for executives and directors <ul style="list-style-type: none"> ○ Executive Pension Plans ○ Small Self Administered Schemes ○ Employer Financed Retirement Benefit Schemes • different types of individual pension arrangement <ul style="list-style-type: none"> ○ personal pension plans ○ stakeholder schemes ○ self-invested personal pensions ○ retirement annuity contracts
<p>11. Outline recent developments in legislation and forthcoming changes that will impact on DC pension provision</p>	<p>(A) Explain the impact of recent developments:</p> <ul style="list-style-type: none"> • taxation of ROPS transfers • Pensions Advice Allowance • reduction to Money Purchase Annual Allowance • market consolidation (bulk transfers of DC pensions without consent and master trust developments) • latest DC governance reforms including early exit charges and transparency measures • Pensions Dashboard • Lifetime ISA and comparison to DC pension savings, pensions tax relief consultation • General Data Protection Regulation • measures to tackle pension scams

Reward and Retirement Provision

Unit Aims

To provide an understanding of the main employee benefits, their value, cost structures, taxation implications and how they interact with saving for retirement. To include appreciation of:

- the employee and employer perspectives
- rewards strategies
- communication and engagement

Unit Level	6	Unit Reference	RRP
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TQT	247	Unit Grading Structure	Pass/Fail (65% pass boundary)
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Assessment Guidance	Multiple Choice Exam (online)
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Learning Outcomes - The Learner will:

Syllabus - The Learner can:

- 1.** Outline the factors to be taken into consideration when developing a total rewards strategy

(A) Explain the impact of the following:

- employee demographics
- globalisation
- BREXIT
- cost
- market position
- recruitment and retention
- automatic enrolment
- employee and employer perspective
- flexible benefits
- State benefits

(B) Explain the communication of employee benefits via:

- methods
- advantages and disadvantages
- employee behaviour
- the Pensions Regulator's guidance
- roles and their interaction
- HR, payroll, pensions, finance
- data flows
- selecting and managing providers and advisers

- 2.** Demonstrate an understanding of the employer perspective in relation to a total rewards strategy including oversight responsibility

(A) Explain the development of rewards strategies including the needs of an ageing population

(B) Outline the tax implications and the pensions benefit implications

<p>3. Outline the elements that employers may use as part of their rewards package</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> • life assurance schemes • income protection schemes • critical illness schemes • health care schemes • personal accident benefits • sabbaticals • career breaks • child care • dental/optical cover • retail vouchers • holidays • voluntary benefits
<p>4. Explain the main features of establishing and maintaining the rewards package</p>	<p>(A) Explain the impact of the following:</p> <ul style="list-style-type: none"> • employee engagement and communication • broking benefits • timing • benefit evaluation
<p>5. Explain the purpose and principal features of company share schemes</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> • SAYE share option schemes • Share Incentive Plans • executive share option schemes • profit sharing schemes • employee share ownership plans • unapproved and phantom share schemes • tax treatment • capital gains tax • an overseas sponsor
<p>6. Explain the concept of remuneration as part of a rewards package</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> • remuneration • bonus schemes

7. Demonstrate an understanding of the principles of salary/bonus sacrifice

(A) Analyse each of the following:

- reasons for adopting salary/bonus sacrifice
- criteria to be an effective sacrifice arrangement
- scheme design considerations
- National Insurance savings to employer/employees
- effect on State benefits
- communication to employees
- tax implications
- contract of employment implications

<p>8. Demonstrate an understanding of flexible benefits</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> • reasons for offering flexible benefits • designing a flexible benefits package: • core benefits • degree of flexibility • delivery of a flexible benefits package • employee communications <p>(B) Explain each of the following:</p> <ul style="list-style-type: none"> • the impact of automatic enrolment • retirement provision options • additional contributions • salary sacrifice • rates of accrual • taxation implications and effect on State benefits • life events • contract of employment implications • how a Lifetime ISA (LISA) can interact with retirement provision
<p>9. Outline the impact of tax charges for individuals</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> • disguised remuneration • cash alternatives • ill health
<p>10. Outline future developments</p>	<p>(A) Explain emerging trends in reward and retirement provision</p>

Professionalism and Governance

Unit Aims

To provide learners with:

An understanding of the importance of professionalism and ethics and the importance of continuing their own professional development. It offers an appreciation of risk and governance issues as they apply to pension schemes, the opportunity to demonstrate their ability to apply risk and governance principles in a practical situation and then evidence that they can communicate their knowledge in a way that is relevant to their audience.

Unit Level	6	Unit Reference	P&G
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TQT	247	Unit Grading Structure	Pass/Fail (55% pass boundary)
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Assessment Guidance	Written Exam (online)
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Learning Outcomes - The Learner will:

Syllabus - The Learner can:

- 1.** Demonstrate an awareness of the Professional Standards expected of PMI Members as set out in the PMI Code of Professional Conduct.

(A) Discuss the importance of the following:

- acting with the highest standards of professionalism and integrity
- providing a high standard of service
- acting in the best interests of each client
- treating people fairly in regard to the twelve protected characteristics as detailed in the Equality Act (2010)

- 2.** Demonstrate an understanding of the importance of continuing personal development (CPD)

(A) Have knowledge of and be able to discuss each of the following:

- Trustee Knowledge and Understanding (TKU)
- Continuing Professional Development and the requirements of the PMI and other professions

- 3.** Demonstrate an understanding of professionalism and business ethics

(A) Analyse the importance of the following:

- corporate culture
- dealing with complaints
- conflicts of interest
- ethical dilemmas - identification, implications and appropriate behaviour
- whistle-blowing legislative requirements and the protections given to whistle blowers

4. Explain the commercial aspects of operating a workplace pension scheme

(A) Analyse each of the following:

- the types of costs involved in delivering pensions
- the costs which can be controlled and which can only be mitigated
- the value and limitations of budgets
- managing the range of commercial relationships

<p>5. Demonstrate an understanding of the management and measurement of service delivery</p>	<p>(A) Asses each of the following:</p> <ul style="list-style-type: none"> • selecting, monitoring and changing service providers • managing client relationships • service level agreements • type, role and value of performance measures • governance reporting • contract remedies • benchmarking • member and client surveys • complaint/dispute resolution
<p>6. Demonstrate an understanding of the importance of good governance in managing a workplace pension scheme</p>	<p>(A) Comment on the features of scheme governance</p> <p>(B) Discuss the roles of the Employer, Providers, and Employer and Provider Governance Committees</p> <p>(C) Evaluate the importance of:</p> <ul style="list-style-type: none"> • risk management • member communication and engagement • investment strategies for different types of schemes • Manager selection and asset allocation <p>(D) Evaluate each of the following:</p> <ul style="list-style-type: none"> • structures/governance committees • key scheme documents for different types of arrangement documentation and record keeping • documentation and record keeping • relevant Pensions Regulator Codes of Practice and guidance • data quality
<p>7. Outline factors taken into consideration when selecting, monitoring and changing investment managers</p>	<p>(A) Comment on each of the following:</p> <ul style="list-style-type: none"> • identifying investment requirements • Types of asset managers • Segregated v pooled investments • manager selection processes • custody and title of assets • fee structures • setting investment performance targets • ESG, climate and other responsible investments • investment management agreements • investment administration • transition management • monitoring investment performance and governance

<p>8. Demonstrate an understanding of internal controls</p>	<p>(A) Describe internal controls</p> <p>(B) Explain why internal controls are required</p> <p>(C) Describe the assessment of risk</p>
<p>9. Discuss the role of the trustees in managing risk</p>	<p>(A) Comment on the process of governance review/risk management</p> <p>(B) Justify how the preparation and management of a risk register can mitigate risks</p> <p>(C) Analyse the nature of de-risking</p> <p>(D) Analyse the role of the TKU requirements</p>