

CALCULATE AND QUOTE PENSION SCHEME DEATH BENEFITS FOR MEMBERS WITHOUT SPECIAL CIRCUMSTANCES

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

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

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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 death benefits
- K2** How to apply actuarial factors
- K3** How to apply annuity rates
- K4** 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
- K5** How the benefit is made up: refund of contributions, lump sum (life assurance/5 year guarantee) and spouse's pension (including child pensions).
- K6** How to apply statutory increases on deferred pensions for the period between date of exit and date of death
- K7** How to apply statutory increases on pensions in payment
- K8** The Disclosure requirements
- K9** The distinction between giving financial information and financial advice (in accordance with the latest Financial Services and Markets Act)
- K10** The distinction between paying lump sum benefits at the Trustees' discretion or to the deceased member's Estate or Legal Personal Representative(s)
- K11** What information and documentation is required before the scheme can settle the benefits