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Moving pensions forward

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THE PENSIONS MANAGEMENT INSTITUTE

CERTIFICATE IN PENSION SCHEME MEMBER GUIDANCE

Assessors' Report – April 2018 Assessments

Introduction

This qualification is designed to meet the needs of pensions staff who regularly liaise with members selecting options from a pension scheme. It is concerned with improving member outcomes and providing guidance on benefit options. As this guidance is in the area of non regulated advice the qualification provides an overview of the distinction between regulated and non regulated advice, the different types of pension scheme and the factors that need to be considered in making decisions in regard to benefits. It covers various options and situations, including: joining, leaving, transferring, retirements, commutation, death, and divorce.

Full details on the qualification and its syllabus can be found in the Qualification Specification on the website: <http://www.pensions-pmi.org.uk/qualifications-and-learning/certificate-in-pension-scheme-member-guidance/>

This report provides feedback on the assessment and some common issues that arose.

Assessment

The oral assessment is conducted over a telephone conversation between candidate and assessor. The conversation is of 15 minutes duration (approx.). The assessor poses as a pension scheme member seeking guidance. The topic of the oral assessment could range across the breadth of the syllabus. The assessment is recorded for the purposes of moderation, which takes place after all calls have been conducted and before results are confirmed.

The assessment will explore how well candidates:

- question a member to gain a proper understanding of the issue and identify the relevant facts that need to be explained to them:
- explain the key points that they need to understand which might affect a member's decision
- are aware when a member does not understand something and how they offer further information to assist a member in gaining better understanding; and
- help the member understand how to get more personal guidance and advice if required.

In order to attempt the oral assessment it is necessary to have completed the tests and assignments within the online learning programme.

The assessment takes place during specific "windows" each year and details of these can be found in the study timetable.

A briefing document is issued to candidates along with confirmation of when the oral assessment is scheduled.

Full details can be found in the Test Specification on the website: <http://www.pensions-pmi.org.uk/qualifications-and-learning/certificate-in-pension-scheme-member-guidance/assessment/>

April 2018 Assessments

13 candidates undertook the assessment. The overall pass rate was 62%.

The result is either Pass or Fail, which is stated on the result notification. The decision of the assessors is final, and no further breakdown of the results is available. It is possible to attempt the oral assessment again during a future window.

An important aspect of this qualification is the distinction between regulated financial advice and information and guidance and who can provide each of these. Furthermore, it is essential for candidates to beware of inadvertently providing advice or implied advice during conversations.

Few candidates considered:

- Recommending websites for information (FCA website/unbiased.com)
- If you add increases to a pension, the starting pension is lower the higher the rate of increase applied
- Referring members to an IFA to help with their decision on increasing pension
- Pension will be higher if not passed on as a dependant's pension
- Pension will be higher if the pension is not guaranteed
- If another job is taken, you can still contribute to the scheme and earn additional pension
- If take draw-down the limit on your annual tax allowable pension contributions will be reduced

It is also important for candidates to establish the identity of the caller and gather appropriate security details and this is covered in the briefing document. This stage must not be omitted and should be covered before candidates start discussing the specific pension issues raised in the call.

Candidates should also:

- Make good use of any notes that they have made as they worked through the online learning programme and completed the test and case study assignments – all the information and guidance that is needed to be successful is contained within the online learning programme. It is of course possible to bring knowledge and experience to bear gained more widely.
- Read the scenario carefully together with the briefing notes – this will ensure the best chance of having a successful call.
- Ensure that they answer the question raised by the assessor and not simply provide everything they know on a topic.
- Note that if during a call an assessor re-phrases a question or asks a supplementary question this is a clue that a candidate has not covered in sufficient details (or indeed at all) the information expected, and candidates should take a moment to re-think the response.
- Not focus on only one option, where several may be possible, in any response – giving huge details on one option e.g. annuities and nothing or little at all on another e.g. drawdown is unlikely to be successful.
- Ensure that the best possible use is made of the time available. A limited time is available for each call and so responses must be focussed and comprehensive.
- Whilst some nerves are understandable and allowance for this is given, assessors are looking for candidates to speak clearly and confidently and to cover all appropriate options.

Candidates should always consider the following:

- Security questions should always be asked at the beginning of the call eg NI number, Date of birth, post code - if no questions are asked at all then the candidate will fail.
- Try and focus on the questions being asked rather than just displaying your knowledge on a particular subject - if the examiner asks the question again or tries to give you prompts then it is likely that you are not answering what is required.
- It is accepted that candidates will be nervous and this is taken into account but do try and conquer these nerves as marks are given for how confident the answer sounded and how well it was communicated.
- There are marks available for explaining how an IFA might be able to help a customer by and large all that is said is how to find an IFA as opposed to how they can help the customer eg tax efficiency, investment choices, options choices.
- Death benefits are often missed out altogether - good answers explain the difference between dying before age 75 as opposed to after that.
- Explaining how an option work and what the advantages might be of flexi access over annuity is guidance and not advice so please do try and give clear answers to this type of question eg with flexi access manage your own taxation, change the amounts you withdraw and frequency, how the funds are invested.