



**Pensions  
Management  
Institute**

**PMI Level 5**

**Diploma in Pension Trusteeship**

**Qualification Specification**

# PMI Level 5 Diploma in Pension Trusteeship ©2021

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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 and some notes in italics which give an indication of the way in which the initial statement should be interpreted.

The initial statement and notes use key words in heavy type to indicate the depth and/or breadth of knowledge which is required. The key words should be interpreted as follows:

**analyse** – interpret and examine in detail

**define** – make clear the exact meaning

**demonstrate** - explain or prove by reasoning/example

**describe** - give a detailed account of distinguish - mark the difference between – determine the value

**explain** - make clear or intelligible; illustrate the meaning of

**identify** - demonstrate what something is

**outline** - brief general explanation; summary without detail

**understand** - comprehend; have a thorough knowledge of

**interpret** - clarify/explain the meaning of something

This is then further broken down into Assessment Criteria. Assessment Criteria are descriptive statements that provide learners and instructors with information about the qualities, characteristics, and aspects of a given learning task. Fundamentally, they specify clearly the standards that must be met and what evidence will be used to show achievement of learning outcomes

## Support and Recognition

These qualifications have been developed with the support of centres who are currently delivering qualifications at this level, or who plan to do so in the future, and from the Industry bodies that support Pension Trustees in the United Kingdom.

## The Diploma in Pensions trusteeship

The Pensions Regulator trustee toolkit is now seen as an entry level of expertise for all pension trustees, professional or otherwise.

The PMI's **Award in Pension Trusteeship** ("APT"), is aligned to the TPR's trustee Knowledge and Understanding requirement and as such focusses on technical knowledge. The PMI introduced a Soft Skills component to enhance that qualification in 2020, and developed the **Certificate in Pension Trusteeship** ("CPT"). To increase professionalism further, and highlight the distinction between Qualified trustees and Professional trustees, the PMI offers a new, standalone award, designed to show judgement when dealing with complex pensions issues, above and beyond technical knowledge. The qualification is titled the **Diploma in Pension Trusteeship** ("DPT")

### Who is the Diploma aimed at?

This Diploma will be of interest to a variety of PMI members and others acting as trustees of DB and DC workplace pension schemes including:

- Members of Governance Committees
- Trustees and Scheme Secretaries
- Those who have completed the Pensions Regulator's Trustee Toolkit
- Those interested in trusteeship
- Current Professional Trustees

### Prerequisite Level of Knowledge or Experience

The qualification would assume that a person who was taking this examination had the necessary level of knowledge and understanding to complete the trustee Toolkit and the PMI Award in Pensions Trusteeship.

The syllabus is therefore derived from the APT syllabus and indicates where a candidate could be expected to demonstrate problem solving ability. They would also have to be able to demonstrate the necessary soft skills as evident at working in the sector in this position at that level, and it is advisable, but not compulsory, to have completed the Certificate in Pensions Trusteeship.

### Assessment

The **Diploma in Pension Trusteeship** will test the approach to problem, judgement, balancing of competing interests, analysis, problem solving and prioritisation assessed by a 1.5 hours (90 minutes) examination.

The examination will be in the form of thirty multiple choice questions in Section 1, and ten True/False questions in Section 2 (please see the DPT Guidance document for further details).

## Structure and Qualification Level

The **Diploma in Pension Trusteeship** is a single unit qualification that has four learning outcomes.

It is benchmarked at **Level 5** on the Regulatory Qualification Framework (RQF). This is equivalent to Foundation degree, a Diploma of Higher Education or a Higher National Diploma (awarded by a degree-awarding body).

## Recommended Study Time

This is also known as **Total Qualification Time (TQT)**.

TQT is a measure required by Ofqual the qualifications regulator and is comprised of:

- Guided Learning Hours (GLH). This means time spent being taught by an instructor (and not necessarily face to face); and
- Study Time. This means self-study/revision/reading
- Assessment Time: This is both Formative and Summative (Mock Exams and Final Exams)

The above estimates 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.

## Study and Preparation

Guided learning hours (GLH)	0	(Distance Learning)
Self-study (SS)	160	(40 per learning outcome)
Formative Assessment (F)	1.5	(Mock Exams)
Summative Assessment (S)	1.5	(Online Exams)
Total Assessment Time (TAT)	3	(F+S)
<b>Total Qualification Time</b>	<b>163 Hours (GLH+SS+TAT)</b>	

There is no intention to produce any study materials to cover the technical content of this qualification, although there are many textbooks on the subject of trustees and trusteeship, and the PMI had provided a Guidance document for this purpose.

It is envisaged that training materials/courses may be developed in future, via a series of 'Masterclasses', and via member Webinars.

## Fees

The cost of the examination will be **£495**.

## Certification and Membership

A final qualification certificate is awarded on successful completion. On receipt a learner has the opportunity to upgrade their membership to Diploma level and use the postnominals of DipPMI.

Please contact the membership team for details.

## Qualification Delivery and Administration

The qualification is awarded by the PMI, an Ofqual recognised Awarding Organisation and is delivered by alongside all other PMI qualifications and run to the same standards of operation and subject to the same governance and oversight arrangements.

Suitably qualified examiners and subject matter experts are appointed by PMI to oversee all processes, and the examination system is completely anonymised as per standard PMI practice.

## Guidance

As an integral *golden thread* of this qualification, we offer direction and content in how organisations can reshape how they think about and report on their corporate strategy. For that purpose, a focus of this qualification is purposed on the setting of clear targets, accountability and trust, and in the belief that the integrity of reporting and sustainable investment by trustee boards is upheld. Some of the assessment criteria have *themed* elements which must be taken into consideration when revising for this qualification.

There is a separate Guidance document to accompany this specification that contains all of the content necessary for completion of the qualification, plus reading lists and sample materials.

The examination is online, via our examination platform, and will be marked by an examination panel of experienced professional trustees.

## Diploma in Pension trusteeship

### Unit Aims

This qualification will test the practical application of technical knowledge as well as the skills associated with effective pension trusteeship. Candidates would therefore need to demonstrate effective analytical skills, the ability to prioritise, leadership and judgement in the context of pension trusteeship.

It is likely that the relevant technical knowledge will have been gained through previous study and/or experience.

Candidates will be able to analyse a wide range of trusteeship scenarios and develop suitable strategies for effective trusteeship, and the application of them, based on a thorough understanding and analysis of the relevant factors.

<b>Unit Level</b>	<b>5</b>	<b>Unit Reference</b>	
<b>TQT</b>	<b>164</b>	<b>Unit Grading Structure</b>	Pass/Fail
<b>Assessment Guidance</b>		1.5 hour Multiple Choice Exam	
<b>Learning Outcomes – The Learner will:</b>		<b>Assessment Criteria – The Learner can:</b>	
<b>1. Be able to explain the operations, duties and powers necessary for effective trusteeship</b>	1.1	Define the management and leadership skills necessary to manage a trustee board effectively.	
	1.2	Demonstrate how to deal with conflicts.	
	1.3	Define effective judgement in key decisions.	
	1.4	Demonstrate the management of the relationship between scheme and employer.	
	1.5	Outline the balance of powers when exercising judgement in difficult situations.	
	1.6	Explain the application of trustees' discretion in the award of discretionary ill-health or death benefits.	
	1.7	Display appropriate judgement in observing fiduciary duties.	
	1.8	Manage relationships with advisers effectively.	
	1.9	The Duties, Powers and Discretions of trustees under a Trust Deed, Scheme Rules and Amendments.	
	1.10	Describe effective governance.	
	1.11	Understand governance in accordance with scheme rules and other documents.	
	1.12	Describe pension scams and the responsibility of trustees.	
	1.13	Explain the ability to invest scheme assets effectively.	
	1.14	Describe assessment of the Employer Covenant.	
	1.15	Demonstrate effective governance of a pension scheme.	



<b>2. Be able to explain the principles and practice of investment management for pension schemes</b>	2.1	Understand the issues associated with funding a DB pension scheme.
	2.2	Understand a schemes Statutory Funding Objective (SFO).
	2.3	Explain the Statement of Funding Principles and the scheme's circumstances (SFP).
	2.4	Understand the SFP and the schemes circumstances.
	2.5	Describe and explain the Responsibilities for Decisions preparing a Statement of Investment Principles (SIP).
	2.6	Outline the contents of a Statement of Investment Principles (SIP).
	2.7	Identify the investment objectives of a Fund.
	2.8	Define the Asset Allocation Strategy of a Fund.
	2.9	Interpret given investment advice.
	2.10	Understand the requirement to monitor and update a SIP as appropriate.
	2.11	Explain the process for the selection of Fund Managers.
	2.12	Understand and evaluate all investment mandates.
	2.13	Describe the types of investments undertaken as a result of investment mandates.
	2.14	Understand the nature of fee structures and charges.
	2.15	Socially Responsible Investment and Corporate Governance.
	2.16	Describe measurements of performance using indices, benchmarks and targets.
	2.17	Define mechanisms for monitoring investment arrangements and Fund Managers.
	2.18	Explain the importance of sound custody arrangements.
	2.19	Explain the responsible ownership of assets.
	2.20	Describe issues associated with transfers in and out of the pension fund.
<b>3. Can describe the different types of scheme and member benefits</b>	3.1	Explain the different classes of member and the benefits to which they are entitled.
	3.2	Understand DC decumulation options.
	3.3	Explain the factors which would influence an employer's decision as to which options to provide.
	3.4	Define benefits paid on death or ill-health.

<b>4. Understand all scheme documentation relevant to the operation of efficient trusteeship</b>	4.1	Explain the principal contents of a Scheme Booklet, Announcements and other member communications.
	4.2	Explain the principal contents of an actuarial valuation report and any annual updates.
	4.3	Define the value of the minutes of previous meetings.
	4.4	Outline the contents of Stewardship Reports.
	4.5	Explain how to monitor payments and contributions to a pension scheme.
	4.6	Understand the contents of internal control reports.
	4.7	Understand the principal contents of an Annual Report and Accounts.
	4.8	Understand the principal terms of any significant contract in respect of scheme assets.
	4.9	Understand the principal contents of any trustee approved procedures.
	4.10	Understand the contents of a Statement of Compliance with the Myners' principles.
	4.11	Understand the principal contents of the Memorandum and Articles of Association of a corporate trustee.
	4.12	The principal elements and features of a scheme Business Plan.
	4.13	Describe the important components of the Job Descriptions for the Chair and for other trustees.