THE PENSIONS MANAGEMENT INSTITUTE

QUALIFYING EXAMINATION 2017

**DEFINED CONTRIBUTION
ARRANGEMENTS**

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

1. Outline the following aspects of personal pension plans:

    (i)   Eligibility   (5 marks)

    (ii)   Contributions   (5 marks)

    (iii)   Relevant UK earnings   (5 marks)

    (iv)   Benefits   (5 marks)

    (v)   Death benefits   (5 marks)

2. A new pensions administration team has been set up in a PLC which sponsors a defined contribution occupational pension scheme. As the Senior Pensions Administrator, draft a training note for the administration team which explains the lifetime allowance charge and shows how the pension scheme members can mitigate this charge. Your answer should include an explanation of the types of transitional protection that are available.

                                                                    (30 marks)

3. (a) You are a Pensions Consultant for XYZ Limited. A Trustee who has recently been appointed to the Board of the XYZ Limited Defined Contribution Pension Scheme would like to gain a better understanding of "Bundled Arrangements"

and 'Unbundled Arrangements' 'in the context of group pension provision. Draft

an email to the Trustee in response to this request.

(20 marks)

(b) Draft an email to the HR Director of XYZ Limited which explains 'Master Trusts' and why they might appeal to employers.

(5 marks)

4. Explain the following terms:

(a) a Pension Input Period   (5 marks)

(b) a Pension Input Amount   (5 marks)

5. List the items of information that make up the Trustees' report section of the Trustees Annual Report & Accounts

(10 marks)

APRIL 2017