Career Average Revalued Earnings Occupational Pension Schemes

The Main aim of this unit:

The aim of this Unit is to build on an occupational scheme administrator's knowledge of Defined Benefit type schemes and to understand how a Career Average Revalued Earnings pension scheme works and why this type of scheme has evolved. In addition, the occupational pension scheme administrator will learn how the benefits are calculated and why the methods can vary.

The Learner will need to know and understand:

History of Career Average Revalued Earnings (CARE) schemes   • Pre 1970's.   • 1970's and High inflation.   • Why the concept is being utilised again but with revaluation.
How CARE schemes are structured   • Main features.   • Defined benefit in structure.   • Advantages and disadvantages of CARE schemes (for members and employers).
Contracting out under a CARE scheme   • Contracting out facilities available for CARE schemes.   • The reasons why a CARE scheme may fail the Reference Scheme Test (RST) requirements and the options available if this event occurs..
Definitions for benefit calculations   • Pensionable Salary.   • Accrual.   • Revaluation.
How to identify and update CARE schemes on your own company's computer systems.

The Learning Outcomes for this unit:

On successful completion of this unit learner's will:

1. Know what a CARE Scheme is and how it differs from other occupational pension schemes, and why they became less popular but are being used again by employers.

2. Be able to identify the key features and advantages and disadvantages of a CARE scheme

3. Understand the impact of contracting out on CARE Schemes

4. Identify the methods of revaluation that are available for a CARE scheme

5. Calculate a member's pension benefits from a CARE scheme including revaluation.

Assessment Method

Assessment is via examination compiled, carried out and marked in-house (PMI recognised centre). Assessment is to cover all learning outcomes and the topics for study in order to pass the unit.