



## **Introduction to Investment Regulated Pension Schemes**

The Main aim of this unit:

To provide Investment Regulated Pension Scheme (IRPS) administrators with an introduction to schemes commonly known as Small Self-Administered Schemes (SSAS) and Self Invested Personal Pensions (SIPPs). An overview of current practices and how these Schemes have evolved. The Unit also covers the current legislation status and the differences between the two types of Scheme.

The Learner will need to know and understand:

### **Key Stakeholders**

- The Role and Duties of the different Trustees
- The Role and Duties of the Scheme Administrator
- The Role and Duties of the SIPP Operator
- The Role and Duties of the SSAS Sponsoring Employer
- The Beneficiaries
- The “Three Hats”

### **Regulatory Regime**

- The Role of the Pensions Regulator
- The Role of HM Revenue & Customs
- The Role of Financial Conduct Authority
- Disclosure and making complaints

### **Governing Documentation**

- The Definitive Trust Deed and Rules and constituent parts
- The Announcement Notice
- The Member Agreement (including Terms & Conditions of the scheme)

### **Introduction to Small Self-Administered Schemes (SSAS)**

- Brief history and main simplification changes
- Establishment
- Key features
- Pensions Act 1995 Exemptions & additional requirements when all members are not Trustees.
- The principle of the common pooled fund
- Wind Up

## **Introduction to Self Invested Personal Pensions (SIPPs)**

- Brief history and main simplification changes
- Establishment
- Key features and governance
- Structure and comparison with normal Personal Pension Plans
- Eligibility
- FCA regulatory requirements

<p><b>Comparison between SSAS and SIPPs</b></p> <ul style="list-style-type: none"> <li>• Occupational / Personal</li> <li>• Membership</li> <li>• Trusteeship</li> <li>• Investment flexibility and choice</li> </ul>
<p><b>Investment Options</b></p> <ul style="list-style-type: none"> <li>• The Trustee Bank Account / Pooled Bank Accounts</li> <li>• Investment choices particularly loans / property</li> <li>• Taxable Property</li> <li>• Scheme Borrowing</li> </ul>
<p><b>Accumulating Funds</b></p> <ul style="list-style-type: none"> <li>• Contributions and tax relief methods</li> <li>• Transfers</li> </ul>
<p><b>Connected Party Transactions</b></p> <ul style="list-style-type: none"> <li>• What constitutes a connected party?</li> <li>• The reason why the trustees must be careful in such circumstances</li> <li>• The consequences of getting it wrong</li> </ul>
<p><b>Benefits</b></p> <ul style="list-style-type: none"> <li>• Retirement</li> <li>• Death considerations</li> <li>• Annuities</li> <li>• FAD – Flexi Access Drawdown</li> <li>• UFPLS – Uncrystallised Funds Pension Lump Sum</li> <li>• Protection</li> <li>• Liquidity considerations these are very different to any other DC Scheme</li> <li>• Unauthorised Payments</li> </ul>
<p><b>Reporting</b></p> <ul style="list-style-type: none"> <li>• Registering a SSAS</li> <li>• Annual Reporting</li> <li>• Event Reporting</li> </ul>

**The Learning Outcomes for this unit:**

On successful completion of this unit learner's will:

1. Know the roles and duties of the key stakeholders in an Investment Regulated Pension Scheme (IRPS)
2. Know the different roles and responsibilities in the Regulatory Regime
3. Be able to identify the different types of Governing Documentation connected with IRPS and explain their purpose
4. Identify the main features of Small Self-Administered Schemes (SSAS)
5. Identify the main features of Self Invested Pension Schemes (SIPPs)

6. Describe the property and lending rules and how they differ between a SIPP and a SSAS
7. Explain the differences between SSAS and SIPP Schemes
8. State the advantages and disadvantages of transferring to a SIPP
9. Identify the benefits available with SSAS and SIPP Schemes and explain how they are paid
10. Understand what Connected Party Transactions are and how they should be treated?
11. Understand HMRC reporting requirements for SSAS and SIPP Schemes

### **Assessment Method**

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