

# CALCULATE AND QUOTE PENSION SCHEME LEAVERS BENEFITS FOR MEMBERS WITHOUT SPECIAL CIRCUMSTANCES



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| PERFORMANCE CRITERIA  | SCOPE  |
|---|--|
| <p>You must be able to:</p> <ol style="list-style-type: none"> <li>1. Use the correct personal details from the member's record</li> <li>2. Show the full range of requested <b>options</b> which are allowed based on the member's record, the <b>scheme</b> rules and legislation</li> <li>3. Apply <b>scheme</b> definitions accurately</li> <li>4. Apply all relevant legislation correctly according to the dates of joining and leaving the <b>scheme</b></li> <li>5. Set out <b>calculations</b>• for each <b>option</b> according to accepted procedures</li> <li>6. Carry out <b>calculations</b>• manually for each <b>option</b> without arithmetical errors</li> <li>7. Calculate and provide information relating to HM Revenue &amp; Customs Regulations as appropriate</li> <li>8. <b>Write a letter</b> to the member, sponsor or Trustee and quote benefits which match your <b>calculations</b>•</li> <li>9. Show the benefit <b>options</b> in an approved format and in accordance with accepted procedure</li> <li>10. Provide complete and accurate information to accompany the quotation</li> </ol> | <p>In meeting the performance criteria you must show you can:</p> <ol style="list-style-type: none"> <li>(A) Identify and apply <b>scheme</b> rules and definitions for <u>all</u> of the following: <ol style="list-style-type: none"> <li>(i) Final salary</li> <li>(ii) Career average revalued earnings (CARE)</li> <li>(iii) Money purchase</li> <li>(iv) Not contracted-out of SERPS/S2P</li> <li>(v) Contracted-out of SERPS/S2P</li> </ol> </li> <li>(B) Set out and provide fully worked manual <b>calculations</b>• for <u>all</u> of the following: <ol style="list-style-type: none"> <li>(i) Members leaving employment</li> <li>(ii) Members opting out of the scheme</li> </ol> </li> <li>(C) Determine the <b>options</b> open to members taking into account <u>all</u> of the following: <ol style="list-style-type: none"> <li>(i) The member's record</li> <li>(ii) Scheme rules</li> <li>(iii) Relevant legislation</li> </ol> </li> <li>(D) Use the <b>calculations</b>• from <u>one</u> of the case studies completed to <b>write a letter</b> to the member, sponsor or Trustee</li> </ol> |

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## **EXPLANATION**

•Calculations could include recalculating benefits to ensure minimum contracting-out requirements are met.

## **Knowledge and Understanding**

You need to show that you know and understand:

- K1** The scheme rules for each of the schemes used in the case study examinations covering the payment of leavers' benefits
- K2** Revaluation requirements for the schemes
- K3** The effects of overriding legislation on the benefits and options payable including the requirements of the HM Revenue & Customs and the Department for Work and Pensions
- K4** How to apply statutory increases on deferred pensions for the period between date of exit and normal retirement date
- K5** The Disclosure requirements
- K6** The distinction between giving financial information and financial advice (in accordance with the latest Financial Services and Market Act)