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Moving pensions forward

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THE PENSIONS MANAGEMENT INSTITUTE

**QUALIFYING EXAMINATION APRIL 2019**

**Monday 1 April 2019, 2.00pm – 5.00pm**

**REWARD AND RETIREMENT PROVISION**

***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. Following a benchmarking review of its current remuneration package, ABC Ltd is considering offering a company paid private medical insurance plan to all staff, to help ensure it remains competitive in the market place.

In your role as the company's benefit consultant, prepare a report for consideration by your client detailing the three main types of cover available for a company paid plan and any tax considerations for the employer and employees. (35 Marks)

2. List the main categories of workers who are excluded from the provisions of the National Minimum Wage Act 1998 and National Minimum Wage Regulations.

(15 marks)

3. Your Finance Director asks you to prepare a briefing paper setting out the tax considerations which the Board should take into account before a Flexible Benefits scheme that incorporates salary sacrifice can be introduced.

Your paper should cover the process for tax approval, the taxation treatment of benefits and incorporate a list of those benefits which typically do not need to be

declared for taxation purposes.

(15 marks)

4. As part of your HR Department's monthly training session, you are asked to undertake some research and prepare the briefing notes for a short slide presentation which covers how 'Pay' is defined, how it is determined, any relevant legislation and includes a list of the cash elements which are commonly included under 'Pay'. (15 marks)

5. You are part of a team undertaking research into various State benefits.

Prepare a summary for the team on Pension Credit, which incorporates:

- how it was introduced;
- eligibility conditions;
- the two different parts of the benefit;
- sources of further information.

(10 marks)

6. Company share plans remain one of the most common and attractive benefits for UK based employees. An overseas parent company can offer this benefit to its UK employees but there are some added complications to be taken into account.

Write a summary setting out the different stages of setting up a share plan by an overseas employer, the complications which may be encountered and the ways in which these may be overcome.

(10 marks)

