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Moving pensions forward

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THE PENSIONS MANAGEMENT INSTITUTE  
**QUALIFYING EXAMINATION 2017**

**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. In preparation for the next Board Meeting, the Compensation and Rewards Manager has requested that you prepare a table setting out the main differences between a workplace pension and a Lifetime Individual Savings Account (LISA). You need only make comparisons between the following points:

- Eligibility
- Purpose
- Minimum age to draw benefits
- Personal contributions
- Tax relief on contributions
- Tax on death
- Charges

(20 marks)

2. An international service company is setting up an office in the UK and is considering private medical insurance. However, this type of insurance is becoming increasingly expensive to provide.

In your role as the company's benefit consultant you have been requested to prepare a report, for consideration by the HR and Finance Directors, of the ways claims under this type of insurance can be controlled and the costs of claims contained.

Your report should be based on the following ways of controlling costs:

- Managed Care
- Directional Care

- Deferred Access Plans
- Excesses
- Co-insurance
- No claims discount

(35 marks)

3. As Benefits Manager prepare a summary for the Finance Director which outlines the different types of shares your company could offer and the taxation considerations for employees, under its proposed Share Incentive Plan.

(10 marks)

4. As benefits adviser write a briefing paper to the HR Manager setting out the key points of Universal Credit.

Your briefing paper should also cover the purpose of Universal Credit, who it is intended to help and the benefits it will replace.

(20 marks)

5. As HR Manager, you are considering introducing a long service awards scheme. Write brief notes on the conditions that must be met for long service awards to be made tax free to employees.

(5 marks)

6. Outline the disadvantages of a company operating a flexible benefits scheme.

(10 marks)

**APRIL 2017**