

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

PERFORMANCE CRITERIA	SCOPE
<p>You must show you can:</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 reason for death and the dates of joining and leaving the scheme</li> <li>5. Set out the <b>calculations</b><sup>•</sup> for each <b>option</b> according to accepted procedures</li> <li>6. Carry out the <b>calculations</b><sup>•</sup> manually for each <b>option</b> without arithmetical errors</li> <li>7. Show when lump sum benefits are <b>payable</b> at the Trustees' discretion or to the deceased member's Estate</li> <li>8. Calculate and provide information relating to HM Revenue &amp; Customs Regulations, as appropriate</li> <li>9. <b>Write a letter</b> to the beneficiary, sponsor or Trustee and quote benefits which match your <b>calculations</b><sup>•</sup></li> <li>10. Show the benefit options in an approved format and in accordance with accepted procedure</li> <li>11. Provide complete and accurate information to accompany the quotation and requested payment details</li> <li>12. Give instructions to the addressee on the response you require</li> </ol>	<p>In meeting the performance criteria you must show you can:</p> <p>(A) Identify and apply <b>scheme</b> rules and definitions for <u>all</u> of the following:</p> <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> <p>(B) Set out and provide fully worked manual <b>calculations</b><sup>•</sup> for <u>all</u> of the following death benefits:</p> <ol style="list-style-type: none"> <li>(i) Refund of contributions</li> <li>(ii) Lump sum (Life assurance/5 year guarantee)</li> <li>(iii) Spouse's pension</li> </ol> <p>(C) Set out and provide fully worked manual <b>calculations</b><sup>•</sup> for <u>all</u> of the following death benefit categories:</p> <ol style="list-style-type: none"> <li>(i) Death in service</li> <li>(ii) Death in deferment</li> <li>(iii) Death in retirement</li> </ol> <p>(D) Identify when lump sum death benefits are <b>payable</b>:</p> <ol style="list-style-type: none"> <li>(i) At the Trustees' discretion</li> <li>(ii) To the deceased member's Estate/Legal Personal Representative(s)</li> </ol> <p>(E) Determine the <b>options</b> open to members taking into account <u>all</u> of the following:</p> <ol style="list-style-type: none"> <li>(i) The member's record</li> <li>(ii) Scheme rules</li> <li>(iii) Relevant legislation</li> </ol> <p>(F) Use the <b>calculations</b><sup>•</sup> from <u>one</u> of the case studies completed to <b>write a letter</b> to the beneficiary, sponsor or Trustee.</p>

**EXPLANATION** <sup>•</sup>Calculations could include recalculating benefits to ensure minimum contracting-out requirements are met or suggesting a course of action if Lifetime Allowance limits are exceeded

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

## **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 death benefits
- K2** How to apply actuarial factors
- K3** How to apply annuity rates
- K4** 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
- K5** How the benefit is made up: refund of contributions, lump sum (life assurance/5 year guarantee) and spouse's pension (including child pensions).
- K6** How to apply statutory increases on deferred pensions for the period between date of exit and date of death
- K7** How to apply statutory increases on pensions in payment
- K8** The Disclosure requirements
- K9** The distinction between giving financial information and financial advice (in accordance with the latest Financial Services and Markets Act)
- K10** The distinction between paying lump sum benefits at the Trustees' discretion or to the deceased member's Estate or Legal Personal Representative(s)
- K11** What information and documentation is required before the scheme can settle the benefits