

## CALCULATE AND QUOTE PENSION SCHEME TRANSFERS IN AND TRANSFERS OUT

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 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 the <b>calculations</b> for each <b>option</b> according to accepted procedures</li> <li>6. Carry out the <b>calculations</b> manually without arithmetical errors</li> <li>7. Write a letter to the member, sponsor or Trustee and quote benefits which match your <b>calculations</b></li> <li>8. Show the benefit options in an approved format and in accordance with accepted procedure</li> <li>9. Provide complete and accurate information to accompany the quotation</li> <li>10. 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> for <u>all</u> of the following:</p> <ol style="list-style-type: none"> <li>(i) The transfer value of benefits accrued while a member of an occupational pension scheme</li> <li>(ii) The additional benefits secured in a member's current scheme by the transfer value from a previous pension arrangement</li> </ol> <p>(C) 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>(D) Use the calculations from <u>one</u> of the case studies completed to <b>write a letter</b> to the member, sponsor or Trustee quoting benefits purchased in respect of a transfer-in from a previous Scheme</p> <p>(E) Use the calculations from <u>one</u> of the case studies completed to <b>write a letter</b> to the member, sponsor or Trustee quoting the transfer value available to a new Scheme</p>

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## **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 relating to the calculation of transfer values out and the benefits provided by transfer values in
- K2** How to apply actuarial factors
- K3** The effects of overriding legislation on the benefits and options available in exchange for a transfer value
- K4** The Disclosure requirements
- K5** The distinction between giving financial information and financial advice (in accordance with the latest Financial Services and Market Act)
- K6** What information and documentation is required before the scheme can settle the benefits
- K7** The requirements of legislation on time scales and the guarantee period for the quotation