Pensions
Management
Institute
Moving pensions forward

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1. What is a corporate trustee?

A. A trustee appointed by the court.
B. An individual trustee appointed by the sponsoring company.
C. A company which acts as a trustee.
D. The sponsoring employer.

2. If the sponsoring employer of a defined benefit scheme becomes insolvent who is responsible for exercising all trust discretions in the company pension scheme?

A. The Pensions Regulator.
B. The Insolvency Practitioner.
C. Pension Protection Fund.
D. The person specified in the Trust Deed and Rules.

3. Meetings of trustees must be held..

A. at least twice a year.
B. following the actuarial valuation.
C. in the way as stipulated in the trust deed and rules.
D. as required under the Pension Schemes Act 1993.

4. Under statutory requirements, the decisions of the trustees may be taken by a majority unless...

A. there are less than 12 members.
B. the trustees agree otherwise.
C. the scheme's trust deed and rules provides otherwise.
D. there are less than one hundred members.

5. The trustees are ultimately responsible for the collection of contributions....

A. only if Additional Voluntary Contributions are paid by members.
B. at all times.
C. if instructed to do so by the employer.
D. if the trust deed permits.

6. It is a legal requirement that the trustees' Annual Report must be available...

A. at the end of the scheme year.
B. within 7 months of the end of the scheme year.
C. within 12 months of the end of the scheme year.
D. within 18 months of the end of the scheme year.

7. Which one of the following does NOT have to be included in the trustees' annual report?

A. Details of changes to the trustees.
B. Details of discretionary pension increases made in the scheme year.
C. Details of any self investment.
D. Home addresses of trustees.

8. Investments should generally be stated in the audited accounts of a pension scheme at...

A. cost.
B. fair value.
C. book value.
D. the value used by the insurance company.

9. In general in-house investment managers...

A. specialise only in UK equity investment.
B. are independent companies that frequently attend in-house meetings.
C. are employed by the company sponsoring the pension scheme or another company within the same group.
D. have few restrictions placed upon them by the Financial Services and Markets Act 2000.

10. If a fund manager has purchased a financial future to buy stock it will have...

A. a future option to buy at a fixed price.
B. a guaranteed profit.
C. an obligation to buy at a fixed price in the future.
D. an option to buy at a negotiable price in the future.