

# PMI Retirement Provision Certificate



Guidance Document  
2021/22

## THE PENSIONS MANAGEMENT INSTITUTE

Founded in 1976, the Pensions Management Institute (PMI) is the UK's largest and most recognisable professional body for employee benefit and retirement savings professionals.

PMI's members, represented throughout the UK, are responsible for managing and advising some of the largest institutions in the world accounting for £1.3 trillion invested in pensions. We promote excellence through a range of services for the benefit of members, the wider economy and society as a whole.

The purpose of the Institute is "To set and promote standards of excellence and lifelong learning for employee benefits and retirement savings professionals and trustees through qualifications, membership and ongoing support services".

To achieve this, the PMI:

- Promotes and embeds professional standards, setting the benchmarks for best practice in the employee benefits and retirement savings industry
- Produces qualifications that have a reputation for excellence and ensure that employee benefits and retirement savings professionals, whether they are scheme managers, consultants, administrators or trustees, are educated to the very highest standards and the latest legislation
- Provides continued lifelong learning designed to strengthen the knowledge and skills of employee benefit and retirement savings practitioners in performing to the best of their ability
- Plays a pivotal role shaping the industry, working with government and collaborating with other bodies on research and thought leadership on key issues
- Presents an annual conference and a wide range of technical seminars from entry-level to those for highly experienced professionals
- Provides industry-leading insight, including PMI News, PMI TV, newsletters and blogs to keep practitioners abreast of the very latest developments in a rapidly changing industry
- Proactively has a voice in mainstream and social media with a presence on Twitter and LinkedIn

## PMI Qualifications

The PMI is the UK's leading professional body for those working in the field of employee benefits and retirement savings. It supports and develops the experts who are responsible for running the UK's pensions industry and is acknowledged as the body for establishing, maintaining and improving professional standards in every area of pension scheme management, consultancy and trusteeship.

PMI qualifications are recognised for both their depth and their standing within the industry. If you choose a single unit, standalone qualification, or a multi-unit qualification over a number of years, it is recognised by the Pensions Industry as having the depth and rigour to demonstrate the knowledge and expertise of those taking them.

## Syllabuses

Each syllabus area is presented in a form which is intended to give an indication of the depth and breadth of knowledge which is required. Each syllabus area is divided into sections with an initial statement, or learning outcome, indicating what is expected of learners and some notes in italics which give an indication of the way in which the initial statement should be interpreted.

The initial statement and notes use key words in heavy type to indicate the depth and/or breadth of knowledge which is required. The key words should be interpreted as follows:

**analyse** - interpret and examine in detail

**define** - make clear the exact meaning

**demonstrate** - explain or prove by reasoning/example

**describe** - give a detailed account of distinguish - mark the difference between evaluate - determine the value

**explain** - make clear or intelligible; illustrate the meaning of

**identify** - demonstrate what something is

**outline** - brief general explanation; summary without detail

**understand** - comprehend; have a thorough knowledge of

**compare and contrast** - give examples that highlight different approaches to the same theme, discussing how they work, and how they deliver in their respective circumstances

**evaluate** - as an outcome of different approaches, provide evidence of a potential 'best practice' method, or what works well, given the evidence created, in certain situations

This is then further broken down into Assessment Criteria. Assessment Criteria are descriptive statements that provide learners and instructors with information about the qualities, characteristics, and aspects of a given learning task. Fundamentally, they specify clearly the standards that must be met and what evidence will be used to show achievement of learning outcomes

## Learning Outcomes

At the end of this unit, candidates will be able to:

1. Understand retirement provision in the UK
2. Understand the role of Government in retirement provision
3. Understand the role of workplace pension schemes in retirement provision
4. Understand the role of individual provision
5. Understand the role and nature of investment in retirement provision

Each Learning Outcome is broken down into two parts:

The Learning Outcome itself (**The Learner will**), and

The Assessment Criteria (how the Learning outcome will be met – **The Learner can**) **Syllabus**

To provide a comprehensive overview of the syllabus, the characteristics of each of the assessment criteria are displayed below

### Learning Outcome 1

#### Understand Retirement Provision in the UK

##### **1.1 Outline the origins and overview of retirement provision**

Pertaining to:

- The individual
- The workplace
- The State

##### **1.2 Outline the parties involved in retirement provision**

Pertaining to:

- Organisations
- Professions
- government departments
- regulatory bodies
- individuals
- employers
- interaction between pensions, payroll and HR

##### **1.3 Outline the concept of the employment package**

Pertaining to:

- remuneration and the employment package
- flexible employment benefits

#### **1.4 Outline the drivers for change in the development of retirement provision (including long term care)**

Pertaining to:

- trends
- cessation of contracting out
- de risking
- flexibly accessing pension benefits
- forthcoming legislation

### Learning Outcome 2

#### Understand the role of Government in retirement provision

##### **2.1 Identify the role of Government**

Pertaining to:

- automatic enrolment
- taxation/incentives
- HMRC allowances

##### **2.2 Outline State retirement benefits and demonstrate an awareness of other State benefits**

Pertaining to:

- State retirement benefits
- other State benefits

##### **2.3 Outline the regulation of retirement provision**

- individual
- workplace

### Learning Outcome 3

#### Understand the role of workplace pension schemes in retirement provision

##### **3.1 Outline the design of workplace pension schemes**

Pertaining to:

- types of workplace pension
- enrolment
- retirement benefits
- trivial commutation
- leaving benefits
- ill health benefits
- death benefits
- contracting out

### **3.2 Outline the financing of workplace pension schemes**

Pertaining to:

- defined benefit (including final salary and CARE)
- defined contribution
- cash balance
- hybrid
- defined ambition/risk sharing
- pay as you go

### **3.3 Outline the concept of trusteeship**

Pertaining to:

- concept of a trust
- importance of governance
- governing documents
- role and responsibilities of trustees
- role and responsibility of the secretary to trustees
- master trusts

### **3.4 Evaluate the importance of administration and communications**

Pertaining to:

- record keeping and standards
- compliance
- communication requirements of different stakeholders

## **Learning Outcome 4**

### **Understand the role of individual provision**

#### **4.1 Outline the different types of individual pension contracts**

Pertaining to:

- personal
- securing benefits
- additional voluntary contributions

#### **4.2 Evaluate the options for personal savings**

Pertaining to:

- personal investments
- alternative investments
- insurances

## Learning Outcome 5

### Understand the role and nature of investment in retirement provision

#### **5.1 Outline the considerations when investing for retirement provision**

Pertaining to:

- life expectancy
- income needs in retirement
- expected retirement age
- size of existing funds and future contributions
- investment funds available including life style and default and the need to review these on a regular basis.
- attitude to risk

#### **5.2 Outline the different investment classes**

Pertaining to:

- equities
- bonds
- property
- cash
- currency and currency hedging
- derivatives
- private equity
- commodities
- absolute return funds
- target date funds
- diversified growth funds
- infrastructure
- insurance policies
- pooled investment vehicles
- ethical and socially responsible investment
- buy outs/ins, with profits, annuities

## Retirement Provision Certificate

### Unit Aims

This qualification will test the practical an understanding of the nature and context of retirement provision in the UK. It is to used as a foundation for those who plan to develop a career specialising in one aspect of retirement provision or for those seeking a broad understanding of the subject.

<b>Unit Level</b>	4	<b>Unit Reference</b>	PMIRPC
<b>TQT</b>	164	<b>Unit Grading Structure</b>	Pass/Fail
<b>Assessment Guidance</b>		2 Hours, 80 Questions, Multiple Choice Exam	
<b>Learning Outcomes – The Learner will:</b>		<b>Assessment Criteria – The Learner can:</b>	
1. Be able to understand retirement provision in the UK	11	Outline the origins and overview of retirement provision.	
	12	Outline the parties involved in retirement provision.	
	13	Outline the concept of the employment package.	
	14	Outline the drivers for change in the development of retirement provision (including long term care).	
2. Understand the role of Government in retirement provision	2.1	Identify the role of Government.	
	2.2	Outline State retirement benefits and demonstrate an awareness of other State benefits.	
	2.3	Outline the regulation of retirement provision.	
3. Understand the role of workplace pension schemes in retirement provision	3.1	Outline the design of workplace pension schemes.	
	3.2	Outline the financing of workplace pension schemes.	
	3.3	Outline the concept of trusteeship.	
	3.4	Evaluate the importance of administration and communications.	
4. Understand the role of individual provision	4.1	Outline the different types of individual pension contracts.	
	4.2	Evaluate the options for personal savings.	
5. Understand the role and nature of investment in retirement provision	5.1	Outline the considerations when investing for retirement provision.	
	5.2	Outline the different investment classes.	



## Unit Reading List

### Books:

There is no specific set text for this unit. However, the following books may give greater understanding:

Rhodes M (2021): **The Story of UK Pensions: An engaging guide to the pensions system**, Amazon Media EU S.à r.l.

Ambachtscheer Keith P (2016): **The Future of Pension Management: Integrating Design, Governance and Investing**, Wiley Finance UK.

### Journals and Magazines:

- Financial Adviser. London: FT Business. Weekly.  
Available online at [www.ftadviser.com](http://www.ftadviser.com).
- Investors Chronicle. London: Financial Times Group.  
Available online at: [Website - Investors Chronicle](http://Website - Investors Chronicle)
- Money Management. London: FT Business. Monthly.  
Available online [www.ftadviser.com/brand/money-management](http://www.ftadviser.com/brand/money-management)
- Professional pensions. London: Incisive Media. Weekly.  
Available at [www.professionalpensions.com](http://www.professionalpensions.com)

### Websites/Online Information

- PMI Learning Materials: [www.pmi-rpc.com](http://www.pmi-rpc.com)
- Accounting for Sustainability (A4S): [www.accountingforsustainability.org](http://www.accountingforsustainability.org)
- ESG Clarity: [ESG Investing News and Analysis - ESG Clarity](http://ESG Investing News and Analysis - ESG Clarity)
- The Pensions Management Institute: [www.pensions-pmi.org.uk](http://www.pensions-pmi.org.uk)
- Responsible Investor: [www.responsible-investor.com](http://www.responsible-investor.com)
- The Pensions Regulator: [www.thepensionsregulator.gov.uk/en/trustees](http://www.thepensionsregulator.gov.uk/en/trustees)

## Further/Reference Reading

- The Pensions Regulator: Guidance/ Codes of Practice from the Pensions Regulator ([www.thepensionsregulator.gov.uk](http://www.thepensionsregulator.gov.uk))
- Accounting for Sustainability (A4S) (<https://www.accountingforsustainability.org/en/activities/projects/pensions-toolkit.html>)
- Reports and Bulletins from the Pensions Ombudsman ([www.pensions-ombudsman.org.uk](http://www.pensions-ombudsman.org.uk))
- Reports and Updates from the Pensions Advisory Service ([www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk))
- Updates, reviews, commentaries on pensions from professional advisers ([www.professionalpensions.com](http://www.professionalpensions.com))
- Financial Reports of Pension Schemes. A Statement of Recommended Practice – 2015 SORP revised July 2018 (SORP) (or comprehensive summary) (PRAG) (<https://www.prag.org.uk/home/current-publications/>)
- The Pensions Management Institute (2011): **Pensions Terminology** – 8th edition (see also - the Pensions Research Accountants Group (PRAG). [www.prag.org.uk](http://www.prag.org.uk))