

Level 4  
Diploma in Retirement Provision Qualification  
Number 610/2731/5

Level 6  
Advanced Diploma in Retirement Provision  
Qualification Number 610/2732/7

Qualification Specification

PMI Level 4 Diploma in Retirement Provision<sup>©2024</sup> Qualification  
Number 610/2731/5

PMI Level 6 Advanced Diploma in Retirement Provision<sup>©2024</sup>  
Qualification Number 610/2732/7

## Summary

1. The **PMI Level 4 Diploma in Retirement Provision** consists of **5** units: Core Units:

- Core Unit 1A - Understanding Retirement Provision; \*
- Core Unit 2 - Regulation of Retirement Provision;
- Core Unit 3 - Running a Workplace Pension Scheme;
- Core Unit 4 - Financing and Investing for Retirement Provision;

\* or Core Unit 1B - Foundation in International Employee Benefits Plus a  
choice of:

- Defined Benefit Arrangements or Defined Contribution Arrangements.

2. The **PMI Level 6 Advanced Diploma in Retirement Provision** consists of **8** units: Four  
compulsory core units

- Core Unit 1A - Understanding Retirement Provision; \*
- Core Unit 2 - Regulation of Retirement Provision;
- Core Unit 3 - Running a Workplace Pension Scheme;
- Core Unit 4 - Financing and Investing for Retirement Provision;

\* or Core Unit 1B - Foundation in International Employee Benefits Plus a  
choice of three specialist option units:

- Defined Benefit Arrangements
- Defined Contribution Arrangements
- Reward and Retirement Provision
- Managing International Employee Benefits

Plus one compulsory unit

- Professionalism and Governance

## About the Pensions Management Institute (PMI)

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, supporting over 6,500 members.

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 with over six million now saving as a result of automatic enrolment, 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. These learning outcomes are expressed through command verbs relevant to the level of study undertaken.

Command verbs themselves are broken down into those that are knowledge driven and those that require application. For all PMI assessments, your command verbs will be mainly made of the following (this list is just a guide):

### Knowledge (up to Level 4) (Core Units)

Command Verb	Explanation
Define	State or describe the nature or scope of something
Describe	Express, fully and clearly, the details/facts of. (e.g. "Describe the benefits payable under a term assurance policy".)
Draw	Produce a representation of...a diagram, graph, chart etc. (e.g. "Draw a diagram to illustrate the profit-maximising price".)
Identify	Point out or choose the right one or give a list of the main features
Label	Attach a name to unidentified terms ...on a graph, chart, diagram, table (e.g. "Label the axes".)
List	Make a list of. (e.g. "List the Technical Actuarial Standards issued by the Financial Reporting Council".)
State	Express the details/facts of... without elaboration. (e.g. "State the principles of investment".)
Understand	To know the meaning of something
Use	Apply the information provided or apply prior learning. To put into service or action. Employ for a given purpose
Write Down	Provide exactly what has been asked for, without explanation or elaboration.

#### Application (up to Level 4) (Core Units)

Command Verb	Explanation
Calculate	Ascertain or reckon mathematically.
Construct	Produce what has been asked for, with appropriate structure. (e.g. "Construct a table showing...")
Demonstrate	Prove with certainty or exhibit by practical means.
Derive	Develop a result from first principles (or from the given starting point),
Describe	Express, fully and clearly, the details/facts of. (e.g. "Describe the risks arising" under a specific given scenario.)
Determine	Find the solution by argument or calculation, making clear your reasoning. (e.g. "Determine the type of event that has occurred, based on the data provided".)
Draft	Produce a document in the specified format (e.g. report, letter, etc.)
Explain	Make clear the meaning or purpose or details of, or the justification for.
Express	Write down the result in the specified terms.
Give	Write down what has been asked for, without elaboration. (e.g. "Give an example of...")
List	Make a list of. (e.g. "List the assumptions/rating factors that would be required to price this product".)
Outline	Describe briefly without elaboration or explanation.
Prepare	Make or get ready for use.
Prove	Demonstrate the truth of what is indicated, through mathematical argument.
Show	1. Demonstrate that the given result is correct. 2. Display the output of a specific part of a computer package item.
Solve	Find a mathematical answer to.
State	Express the details/facts of... without elaboration. (e.g. "State whether the investor should take a long or short position on the option in this situation".)
Verify	Demonstrate to be true.

## Higher Order Skills (above Level 4)

Command Verb	Explanation
Analyse	Break down into component parts.
Assess	Judge the effectiveness, implications, relevance, importance, suitability and/or value of.
Comment on	Give brief conclusions on.
Compare	Highlight the similarities and differences between.
Contrast	Highlight the differences between.
Determine	Find the solution by argument or calculation, making clear your reasoning. (e.g. "Determine the most appropriate course of action for the company, within the given constraints".)
Discuss	Write about in some detail, taking into account different issues or points of view.
Estimate	Calculate a result, using judgement to decide on suitable assumptions and/or approximations. (Used when the result is not definitive. Assumptions made should be expressed clearly and intermediate workings should be shown.)
Evaluate	Judge the suitability of something for a given purpose.
Identify	Select after consideration of the possible options or alternatives.
Justify	Provide reasons to support.
Propose	Select and then communicate a solution, action or range of possible solutions/actions. (Justification is not expected unless explicitly asked for, e.g. "with reasons".)
Recommend	Select and then communicate a preferred solution or course of action. (Justification is not expected unless explicitly asked for, e.g. "with reasons".)
Set out	Write down in a structured way.
Suggest	Communicate a range of solutions, actions or reasons without justification. (This is normally used in a situation where there is insufficient information provided to form a definitive recommendation or proposal, e.g. "Suggest possible reasons" or "Suggest possible actions".)

### Guidance Notes on the Use of Command Verbs

There should only be one command verb used per question. For example, learners are asked to describe or explain, not describe and explain.

You would not normally expect to see Knowledge and Application verbs used in the higher level modules. If they are to be used, then they will only be as 'a starter before the main meal'. For example, if it is necessary to **describe** (Knowledge) the different Quality Management Systems (QMS) before introducing the concept of **evaluating** (Higher Order) a single (and appropriate) QMS into the learners own organisation, then that is acceptable.

## Qualification Aim

The Diploma rewards and acknowledges the completion of core pension technical units that form part of the Advanced Diploma in Retirement Provision. This can be taken as a standalone qualification or as part of the Advanced Diploma.

The aim of the Advanced Diploma is to provide the required professional knowledge, skills and understanding for an individual to undertake, after sufficient experience, a position as a pensions specialist within a self-administered scheme, a third party administrator, a life assurance company or the consulting and advisory services.

## Qualification Structure and Assessment

The Diploma and Advanced Diploma are structured as follows:

Diploma in Retirement Provision			
Choose one of:			
Unit Title	Unit Number	Level	Credits
Core Unit 1A - Understanding Retirement Provision	M/650/7358	4	10
Core Unit 1B - Foundation International Employee Benefits	D/650/7361	4	10

Mandatory Units			
Core Unit 2 - Regulation of Retirement Provision	F/650/7362	4	10
Core Unit 3 - Running a Workplace Pension Scheme	H/650/7363	4	10
Core Unit 4 - Financing and Investing for Retirement Provision	J/650/7364	4	10

Choose one of:			
Defined Benefit Arrangements	K/650/7365	6	20
Defined Contribution Arrangements	L/650/7366	6	20
Total needed to complete the Qualification (5 Units)			60

Advanced Diploma in Retirement Provision			
Choose one of:			
Unit Title	Unit Number	Level	Credits
Core Unit 1A - Understanding Retirement Provision	M/650/7358	4	10
Core Unit 1B - Foundation International Employee Benefits	D/650/7361	4	10

Mandatory Units			
Core Unit 2 - Regulation of Retirement Provision	F/650/7362	4	10
Core Unit 3 - Running a Workplace Pension Scheme	H/650/7363	4	10
Core Unit 4 - Financing and Investing for Retirement Provision	J/650/7364	4	10

Optional Units (choose three)			
Defined Benefit Arrangements	K/650/7365	6	20
Defined Contribution Arrangements	L/650/7366	6	20
Reward and Retirement Provision	M/650/7367	6	20
Managing International Employee Benefits	R/650/7368	6	20

Mandatory Unit to complete the Advanced Diploma			
Professionalism and Governance	T/650/7369	6	20
Total to complete the Qualification (8 Units)			120

## Examinable Content

The syllabus and the examinations for this qualification are based on the law and practice of the United Kingdom as it existed on 6 April the previous year, unless stated otherwise.

## Total Qualification Time (TQT)

In making an estimate we have referenced the approach used by Ofqual (the English qualifications regulator). This is also known as Total Qualification Time (TQT) or Guided Learning Hours. TQT is comprised of:

1. Guided Learning Hours (GLH). This means time spent being taught by an instructor (and not necessarily face to face);
2. Assessment Time, and
3. Study Time. (this means self study/revision/reading)

The hourly allocations are based on evidence we have gathered from users of our qualifications, past experience and benchmarking exercises. The evidence we have gathered indicates that there is considerable variation within the overall TQT estimates as blended approaches are common with differing mixes of Guided Learning and other elements which contribute to TQT. These estimates are reviewed regularly.

## PMI Level 4 Diploma in Retirement Provision

In order to be consistent with Ofqual requirements and to provide an estimation of study time we have calculated the following:

Guided learning hours (GLH)	0	(Distance Learning)
Self-study (SS)	600	(Distance Learning/Use of Learning Website)
Formative Assessment (F)	49	(Mock Exams/Assignments/Revision Courses)
Summative Assessment (S)	11	(Online Exams)
Total Assessment Time (TAT)	60	(F+S)
<b>Total Qualification Time</b>	<b>660 Hours (GLH+SS+TAT)</b>	

As GLH, as defined above is not common, we have estimated a total of 0 hours for this component.

## Advanced Diploma in Retirement Provision

Guided learning hours (GLH)	0	(Distance Learning)
Self-study (SS)	1200	(Distance Learning/Use of Learning Website)
Formative Assessment (F)	90	(Mock Exams/Assignments/Revision Courses)
Summative Assessment (S)	20	(Online Exams)
Total Assessment Time (TAT)	110	(F+S)
<b>Total Qualification Time</b>	<b>1310 Hours (GLH+SS+TAT)</b>	



Again, as GLH, as defined above is not common, we have estimated a total of 0 hours for this component.

## Qualification Level

The Diploma in Retirement Provision has been formally benchmarked against the Regulated Qualification Framework to a **Level 4** qualification.

The Advanced Diploma (Retirement) has been formally benchmarked against the Regulated Qualification Framework to a **Level 6** qualification.

## Fees

All fees can be found through accessing the [PMI Qualifications pages](#) via the individual unit/pathways chosen.

## Links with other qualifications and progression

Those learners who complete **PMI Level 4 Diploma in Retirement Provision** can apply to other educational establishments/universities to continue their studies at **Level 4** or above dependent on the type of qualification and the study establishment.

Those learners who complete the **PMI Level 6 Advanced Diploma in Retirement Provision** can apply to other educational establishments/universities to continue their studies at **Level 6** or above dependent on the qualification and the study establishment.

## Membership Entitlement

Learners completing either the **PMI Level 4 Diploma in Retirement Provision** (DRP) or the **PMI Level 6 Advanced Diploma in Retirement Provision** will be eligible to become Professional Members with the designatory initials **PPMI**.

Those learners who complete the **PMI Level 6 Advanced Diploma in Retirement Provision** will be eligible to become Associate Members of the PMI with the designatory initials **APMI** after 5 years of appropriate Continuous Professional Development (CPD).

## Level 6 Financial Services Professional Apprenticeship

This **PMI Level 6 Advanced Diploma in Retirement Provision** can be used as part of the **Level 6 Financial Services Professional Apprenticeship**. Amongst the many benefits of the apprenticeship is the opportunity to access Government funding to cover the cost of the qualifications and any associated training. Further details on the apprenticeship can be found here: <http://www.pensions-pmi.org.uk/qualifications-and-learning/pmi-and-apprenticeships/>

## Support and Recognition

These qualifications have been developed with the support of Industry bodies that support the Pension sector in the United Kingdom.

## Regulation

These qualifications are regulated by Ofqual.

## CU1A - Understanding Retirement Provision

### Unit Aims

To provide an introductory overview of retirement provision in the UK including an appreciation of:

- how workplace pensions have developed, the different types of workplace provision and how they sit alongside State Pension Provision
- the key features of automatic enrolment, trust and contract-based provision
- the roles and responsibilities of those involved in running workplace pensions
- personal savings and the options for retirement saving
- employee engagement with retirement provision

<b>Unit Level</b>	4	<b>Unit Reference</b>	CU1A	<b>Unit Number</b>	M/650/7358
<b>TQT</b>	120	<b>Unit Grading Structure</b>	Pass/Fail (65% pass boundary)		
<b>Assessment Guidance</b>		Written Exam			
<b>Learning Outcomes - The Learner will:</b>			<b>Syllabus - The Learner can:</b>		
<b>1.</b> Demonstrate an understanding the origins and overview of retirement provision			<b>(A)</b> Explain the aspects and involvement of the: <ul style="list-style-type: none"> <li>• State</li> <li>• Workplace</li> <li>• Individual</li> </ul>		
<b>2.</b> Demonstrate an understanding of the context and the factors which influence the development of retirement provision in the UK			<b>(A)</b> Identify changes to State pension age, State benefits, historic and forthcoming legislation <b>(B)</b> Explain the options available to access pension saving <b>(C)</b> Define demographics <b>(D)</b> Outline changing social trends <b>(E)</b> Describe balancing work, retirement and income <b>(F)</b> Explain different income needs in retirement and options		
<b>3.</b> Describe the main State retirement benefits and other benefits an individual might receive from the State and how those retirement benefits are calculated			<b>(A)</b> Analyse the features of: <ul style="list-style-type: none"> <li>• The New State Pension</li> <li>• Basic State Pension</li> <li>• State Second Pension (S2P)</li> <li>• Pensions Credit</li> </ul> <b>(B)</b> Outline the features of other State benefits		

4. Describe the role of the key parties involved in retirement provision, the operation of a workplace pension scheme, their interaction and any conflicts of interest

(A) Analyse and distinguish between the roles of the following:

- Government departments
- Regulatory bodies
- Advisers (including consultants, legal advisers, investment advisers, scheme actuary and auditors)
- Members and their dependants
- Employers/pensions manager, payroll and human resources
- Secretary to the Trustees
- Service providers, including administrators
- Investment Managers
- Insurer(s)

<p>5. Identify the roles and functions of the bodies that regulate pension schemes and provide assistance or protection to members and employers</p>	<p><b>(A)</b> Outline the role and powers of:</p> <ul style="list-style-type: none"> <li>• The Pensions Regulator (TPR)</li> <li>• Department for Work and Pensions (DWP)</li> <li>• HM Revenue &amp; Customs (HMRC)</li> <li>• Pensions Ombudsman Service</li> <li>• Financial Ombudsman Service</li> <li>• PPF Ombudsman</li> <li>• The Money and Pensions Service (MaPS)</li> <li>• Citizens Advice Service (including Citizens Advice Bureau)</li> <li>• Pension Protection Fund (PPF)</li> <li>• Financial Conduct Authority (FCA)</li> <li>• Financial Assistance Scheme (FAS)</li> <li>• Financial Services Compensation Scheme (FSCS)</li> <li>• National Insurance Services to the Pensions Industry (NISPI)</li> <li>• The Information Commissioner</li> <li>• The Pension Tracing Service</li> <li>• Pensions Compensation Board</li> <li>• Pension Schemes Registry</li> </ul>
<p>6. Explain the main features of the employer duties for automatic enrolment and re-enrolment</p>	<p><b>(A)</b> Describe automatic enrolment, contractual enrolment and re-enrolment</p> <p><b>(B)</b> Define jobholders and workers</p> <p><b>(C)</b> Identify:</p> <ul style="list-style-type: none"> <li>• qualifying earnings and pay reference periods</li> <li>• qualifying schemes and automatic enrolment schemes</li> </ul> <p><b>(D)</b> Explain phasing in and staging</p> <p><b>(E)</b> Describe the communication requirements and timescales</p> <p><b>(F)</b> Explain the role of the Pensions Regulator</p>
<p>7. Distinguish between the different methods of providing and delivering pensions and the different benefits and options</p>	<p><b>(A)</b> Identify the essential features, legal structure, delivery model and characteristics of workplace pension schemes</p> <p><b>(B)</b> Evaluate occupational pension schemes, personal pensions, stakeholders and SIPPs</p> <p><b>(C)</b> Identify universal automatic enrolment schemes including master trusts and their roles</p> <p><b>(D)</b> Explain the roles of the employer, trustees, providers, and employer and provider governance committees</p>
<p>8. Demonstrate an understanding of the different types of benefit design found in pension schemes</p>	<p><b>(A)</b> Describe the main benefit design features of the following schemes:</p> <ul style="list-style-type: none"> <li>• Defined benefit (final salary and career average)</li> <li>• Defined contribution</li> <li>• Cash balance</li> <li>• Hybrid arrangements</li> <li>• Risk sharing schemes</li> </ul>

<p>9. Understand the context and the main types, and principal features, of workplace pension schemes found in both the private and public sectors, and explain the difference between insured and self-administered schemes</p>	<p>(A) Define public sector benefit structure            (B) Describe:</p> <ul style="list-style-type: none"> <li>• Private Sector Benefit Structures</li> <li>• Master Trusts</li> <li>• Cross Border Schemes</li> </ul> <p>(C) Identify the features of:</p> <ul style="list-style-type: none"> <li>• Insured Schemes</li> <li>• Self-administered Schemes</li> <li>• Executive Pension Arrangements and Employer Financed Retirement Benefit Schemes</li> </ul>
<p>10. Demonstrate an understanding of the financing of pension schemes</p>	<p>(A) Analyse the financing of the following workplace pension schemes:</p> <ul style="list-style-type: none"> <li>• Defined Benefit</li> <li>• Defined Contribution</li> <li>• Collective Defined Contribution (CDC)</li> <li>• Pay As You Go (PAYG)</li> </ul>
<p>11. Evaluate what an employer might consider when selecting a trust, master trust or contract-based arrangement</p>	<p>(A) Identify the advantages and disadvantages of each when selecting a:</p> <ul style="list-style-type: none"> <li>• Trust</li> <li>• Master Trust</li> <li>• Contract-Based Arrangement</li> </ul>
<p>12. Evaluate the options for personal savings</p>	<p>(A) Explain the features of the following:</p> <ul style="list-style-type: none"> <li>• Personal Investments</li> <li>• Alternative Investments</li> <li>• Insurances</li> </ul>
<p>13. Describe the options available for retirement saving</p>	<p>(A) Outline the features of:</p> <ul style="list-style-type: none"> <li>• Tax Advantaged Savings Vehicles</li> <li>• Property</li> <li>• Pension Arrangements</li> </ul>
<p>14. Understand the main features of employee communications with saving for retirement</p>	<p>(A) Outline:</p> <ul style="list-style-type: none"> <li>• Statutory Disclosure Requirements</li> <li>• The concepts of Advice and Guidance</li> </ul>

CU1B – Foundation International Employee Benefits

Unit Aims

To provide an introduction to the following issues:

- The different employee benefits in an international context and the different ways these are designed, delivered, funded, communicated and administered around the world
- The respective roles of stakeholders involved in the provision of international employee benefits
- Pensions and employee benefit provision in France, Germany, Japan, the Netherlands, the UK, the USA and Switzerland and a regional overview of Europe and North America to highlight the different practices of employee benefit provision
- The legal and regulatory influences of the European Union on pensions/employee benefit design and financing

Unit Level	4	Unit Reference	CU1B	Unit Number	D/650/7361
TQT	120	Unit Grading Structure	Pass/Fail (65% pass boundary)		
Assessment Guidance		Written Exam			
Learning Outcomes - The Learner will:			Syllabus - The Learner can:		
1. Outline the role of pensions and employee benefits as a key element in total remuneration			(A) Analyse the different elements of reward and how these motivate employees (B) Explain the role of employee benefits in relation to compensation and relational rewards		
2. Explain the importance of pensions and employee benefits globally.			(A) Analyse the reasons why pensions and employee benefits are provided and how these motivations change by country (B) Explain the general financial implications of pensions and employee benefit provision		
3. Demonstrate an understanding of the main employee benefits and the factors influencing the provision of each of them			(A) Analyse each of the following: <ul style="list-style-type: none"> <li>• Pensions/retirement benefits</li> <li>• Death and disability benefits</li> <li>• Post and pre-retirement medical and health benefits</li> <li>• Other long-service and post-employment plans</li> <li>• Savings plans</li> <li>• Share plans</li> <li>• Other benefit-related topics including flexible benefit platforms, wellbeing/wellness and company cars</li> </ul>		
4. Explain the background to pensions and employee benefit provision and describe the different elements of provision			(A) Analyse each of the following: <ul style="list-style-type: none"> <li>• Design</li> <li>• Delivery</li> <li>• Funding and financing</li> <li>• Administration</li> </ul>		

<p>5. Explain and distinguish the roles of different parties involved in the provision of pensions and employee benefits</p>	<p><b>(A)</b> Analyse the roles of each of the following:</p> <ul style="list-style-type: none"> <li>• Employees</li> <li>• Other beneficiaries</li> <li>• International employee benefits managers</li> <li>• Corporate HR, finance and risk functions</li> <li>• Employee representatives, e.g. works councils, trade unions,</li> <li>• Trustees/fiduciaries</li> <li>• Local actuaries</li> <li>• Local regulators</li> <li>• Vendors, including global custodians, investment managers and insurance company/multinational pooling secretariat</li> <li>• Advisers</li> <li>• International benefits consultants</li> </ul>
<p>6. Describe the typical pensions and employee benefit practice and environment and outline the factors influencing pension/benefit design in the selected countries and regions</p>	<p><b>(A)</b> Explain each of the following:</p> <ul style="list-style-type: none"> <li>• Economic and employment background</li> <li>• Social security benefits and financing</li> <li>• Compulsory benefits and voluntary plans</li> <li>• Delivery of benefits</li> <li>• Funding and financing of benefits including investment of plan assets</li> <li>• Regulatory and tax framework</li> <li>• Administration of benefits</li> </ul>



## CU2 – Regulation of Retirement Provision

### Unit Aims

To provide an overview of the regulation of retirement provision in the UK including an appreciation of:

- legal and taxation aspects
- compliance with regulation and where administrators need to focus on compliance issues
- the bodies responsible for defining, monitoring and oversight
- how the employee is supported by the financial services industry
- current issues

<b>Unit Level</b>	4	<b>Unit Reference</b>	CU2	<b>Unit Number</b>	F/650/7362
<b>TQT</b>	120	<b>Unit Grading Structure</b>	Pass/Fail (65% pass boundary)		
<b>Assessment Guidance</b>		Written Exam			
<b>Learning Outcomes - The Learner will:</b>			<b>Syllabus - The Learner can:</b>		
<p><b>1.</b> Analyse a registered pension scheme and the tax treatment conferred by registered scheme status</p>			<p><b>(A)</b> Outline the Finance Act 2004 including the tax treatment of:</p> <ul style="list-style-type: none"> <li>• contributions</li> <li>• investment</li> <li>• benefits (retirement and death)</li> </ul>		
<p><b>2.</b> Understand the context of the principal features of the current tax regime governing registered pension schemes</p>			<p><b>(A)</b> Define Benefit Crystallisation Events and the Lifetime Allowance, including protection</p> <p><b>(B)</b> Outline the features of the Annual Allowance, including the Tapered Annual Allowance and the Money Purchase Annual Allowance</p> <p><b>(C)</b> Identify authorised and unauthorised payments</p>		
<p><b>3.</b> Understand the tax treatment of unregistered schemes</p>			<p><b>(A)</b> Define:</p> <ul style="list-style-type: none"> <li>• Employer Funded Retirement Benefit Schemes</li> <li>• Qualifying Recognised Overseas Pension Schemes</li> <li>• Excepted Life Schemes</li> </ul>		
<p><b>4.</b> Understand the implications of differences in Jurisdiction (England &amp; Wales, Scotland and Northern Ireland) on retirement provision</p>			<p><b>(A)</b> Explain the implications in the following areas:</p> <ul style="list-style-type: none"> <li>• sources of law</li> <li>• Income Tax</li> <li>• options on divorce</li> </ul>		
<p><b>5.</b> Understand the roles and functions of the bodies that regulate pension schemes and provide protection to members and employers</p>			<p><b>(A)</b> Explain the role and powers of:</p> <ul style="list-style-type: none"> <li>• The Pensions Regulator (TPR)</li> <li>• HM Revenue &amp; Customs (HMRC)</li> <li>• Financial Conduct Authority (FCA)</li> <li>• Department for Work and Pensions (DWP)</li> <li>• Financial Services Compensation Scheme (FSCS)</li> <li>• Pension Protection Fund (PPF)</li> <li>• Pensions Ombudsman and Financial Services Ombudsman</li> </ul>		

<p>6. Demonstrate an understanding of the principles of trust law and the role and responsibilities of pension scheme trustees and evaluate why trusts are used in a pensions context</p>	<p>(A) Identify the main features of a trust            (B) Distinguish between trust and contract-based alternatives for workplace pensions, including master trusts            (C) Identify the different types of trustees            (D) Analyse the appointment and removal of trustees            (E) Explain the duties and powers of trustees:</p> <ul style="list-style-type: none"> <li>• investment powers</li> <li>• exercise of discretions</li> <li>• delegation</li> <li>• meetings and minutes</li> <li>• trustees' liability and protection</li> <li>• trustee knowledge and understanding (TKU)</li> </ul> <p>(F) Identify notifiable events            (G) Describe the Pensions Regulator's Codes of Practice and guidance notes</p>
<p>7. Describe the way in which pension schemes are established, the methods for changing trustees and employers and for amending schemes and explain the possible constraints on such amendments</p>	<p>(A) Explain the trust deed and rules            (B) Outline relevant employee communications            (C) Explain how the following can be effected:</p> <ul style="list-style-type: none"> <li>• changing employers</li> <li>• changing trustees</li> <li>• amending deeds</li> </ul> <p>(D) Outline the powers of amendment            (E) Identify overriding legislation and relevant case law            (F) Analyse the relevant practical considerations            (G) Explain the process of consultation and notification to members</p>
<p>8. Distinguish between a share sale and a business sale and demonstrate an understanding of the duties of trustees in such situations and the related issues</p>	<p>(A) Explain share sales and business sales (and key differences between them)            (B) Analyse sale and purchase agreements            (C) Evaluate past and future service provision (including Transfer of Undertakings [Protection of Employment] Regulations [TUPE])            (D) Explain the following:</p> <ul style="list-style-type: none"> <li>• section 75 debts</li> <li>• anti-avoidance and clearance</li> <li>• apportionment of liabilities</li> <li>• withdrawal arrangements</li> </ul> <p>(E) Analyse scheme mergers</p>

<p><b>9.</b> Understand the context of the duties imposed on the 'scheme administrator' by the Finance Act 2004</p>	<p><b>(A)</b> Outline the characteristics of effective record keeping  <b>(B)</b> Describe information requirements for:</p> <ul style="list-style-type: none"> <li>• HM Revenue &amp; Customs</li> <li>• members</li> <li>• other scheme administrators</li> </ul>
<p><b>10.</b> Describe the requirements for communication with members</p>	<p><b>(A)</b> Explain the legal requirements for each of the following types of disclosure:</p> <ul style="list-style-type: none"> <li>• automatic</li> <li>• on request</li> <li>• e communications/multi-media</li> </ul>
<p><b>11.</b> Demonstrate an understanding of the importance of a governance structure</p>	<p><b>(A)</b> Explain the features of scheme governance  <b>(B)</b> Outline the roles of the employer, trustees, governance committees and providers  <b>(C)</b> Outline the importance of:</p> <ul style="list-style-type: none"> <li>• risk management</li> <li>• member communication and engagement</li> <li>• investment and manager selection</li> </ul>
<p><b>12.</b> Outline other laws which impact on UK pension provision</p>	<p><b>(A)</b> Analyse the impact of:</p> <ul style="list-style-type: none"> <li>• GDPR/Data Protection</li> <li>• divorce, civil partnership and same sex marriages</li> <li>• family law</li> <li>• human rights</li> <li>• equal treatment and discrimination (including age discrimination)</li> <li>• dismissal and redundancy</li> <li>• anti-money laundering and anti-bribery</li> <li>• information and consultation regulation</li> <li>• Value Added Tax (VAT)</li> <li>• European Union law</li> </ul>

**13.** Demonstrate an understanding of current issues

**(A)** Analyse the impact of:

- cessation of contracting out and scheme reconciliations
- data protection
- pensions dashboard
- Guaranteed Minimum Pension (GMP) equalisation/conversion
- pension scams
- data quality and the scheme return
- defined benefit to defined contribution transfers
- pension advice allowance and provision of advice at retirement (robo advice)
- a Green Paper (including consultation)
- TPR consultation professional trustees
- the impact of BREXIT

<p><b>14.</b> Understand how companies and individuals working in the pensions field are regulated by the FCA</p>	<p><b>(A)</b> Outline the characteristics of:</p> <ul style="list-style-type: none"><li>• statements of principle</li><li>• financial advice</li><li>• best advice</li><li>• treating customers fairly</li><li>• advertising and promotion</li><li>• regular reviews of suitability</li><li>• asset management market study</li><li>• Financial Advice Market Review (FAMR)</li></ul>
<p><b>15.</b> Explain how the consumer is served by the financial services industry</p>	<p><b>(A)</b> Describe the role of the providers of financial products <b>(B)</b> Explain the relationship between product providers, advisers and consumers <b>(C)</b> Analyse the perception of financial services <b>(D)</b> Identify the main financial needs and how they are met</p>

### CU3 – Running a Workplace Pension Scheme

#### Unit Aims

To provide an overview of the requirements of running a workplace pension scheme, including an appreciation of:

- the implications of the tax and regulatory regimes that apply to workplace pensions
- scheme administration, payroll and financial administration
- the importance of data and data protection
- the calculation and payment of benefits
- the role of technology

<b>Unit Level</b>	4	<b>Unit Reference</b>	CU3	<b>Unit Number</b>	H/650/7363
<b>TQT</b>	120	<b>Unit Grading Structure</b>	Pass/Fail (65% pass boundary)		
<b>Assessment Guidance</b>		Written Exam			
<b>Learning Outcomes - The Learner will:</b>			<b>Syllabus - The Learner can:</b>		
<b>1.</b> Demonstrate an understanding of administration system design			<b>(A)</b> Analyse each of the following: <ul style="list-style-type: none"> <li>• system requirements</li> <li>• contractual enrolment, automatic enrolment and re-enrolment processes</li> <li>• interfaces with payroll and human resources</li> <li>• data protection</li> <li>• end to end processing</li> <li>• online functionality</li> <li>• cyber security</li> </ul>		
<b>2.</b> Demonstrate an understanding of ongoing scheme requirements and implications for payroll and HR			<b>(A)</b> Explain the requirements for each of the following: <ul style="list-style-type: none"> <li>• new employees, contractual enrolment and automatic enrolment</li> <li>• employees opting-out and re-enrolment processes</li> <li>• divorce, court orders and pension credit members</li> <li>• individual bankruptcy</li> <li>• renewals/interfaces and disclosure</li> <li>• record keeping</li> <li>• relevant Pensions Regulator Codes of Practice and guidance notes</li> </ul>		
<b>3.</b> Demonstrate an understanding of the main features of automatic enrolment			<b>(A)</b> Define Jobholders and Workers <b>(B)</b> Explain the following: <ul style="list-style-type: none"> <li>• staging dates</li> <li>• postponement</li> </ul> <b>(C)</b> Distinguish between the different options for Qualifying Schemes <b>(D)</b> Explain the administrative requirements <b>(E)</b> Describe the communication requirements and timescales <b>(F)</b> Explain compliance and the Pensions Regulator		

<p>4. Understand the main features of employee communication with saving for retirement</p>	<p>(A) Outline the importance of effective communication and identify the different methods of communication:</p> <ul style="list-style-type: none"> <li>• electronic or paper based</li> <li>• face to face</li> </ul> <p>(B) Distinguish between statutory disclosure requirements and those arising from best practice</p>
<p>5. Describe the procedures required for the different taxation allowances</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> <li>• Annual Allowance, including Tapered Annual Allowance and Money Purchase Annual Allowance</li> <li>• Lifetime Allowance</li> <li>• the various protection regimes</li> </ul>
<p>6. Demonstrate an understanding of the key features of delivering pension benefits</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• different service delivery models e.g. outsourcing, co-sourcing, front office/back office, off shoring</li> <li>• organisation of work</li> <li>• key stakeholders – their roles and responsibilities</li> <li>• service delivery models</li> <li>• target setting</li> </ul>
<p>7. Outline the various benefit crystallisation events when an individual leaves a workplace pension scheme and understand the advantages and disadvantages, administrative requirements including the provision of guidance and risks associated with different benefit options</p>	<p>(A) Describe the options on early leaving, refunds, deferred benefits, transfers (in and out)</p> <p>(B) Define the options before retirement, including redundancy and ill-health</p> <p>(C) Identify the benefits payable on death</p> <p>(D) Explain the options available arising from divorce and the dissolution of civil partnerships</p> <p>(E) Describe the retirement options:</p> <ul style="list-style-type: none"> <li>• ill-health retirement</li> <li>• phased retirement</li> <li>• flexible retirement</li> <li>• lump sum options including trivial commutation</li> <li>• uncrystallised funds pension lump sums</li> <li>• income drawdown (capped and flexible)</li> <li>• different types of annuities</li> </ul>

**8.** Demonstrate an understanding of accounts and treasury requirements

**(A)** Explain the requirements for each of the following:

- timing of contribution payments
- money transfer processes and authorities
- record keeping
- reporting
- reconciliation processes
- accounting standards



<p>9. Describe the scheme level administration requirements</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> <li>• bank accounts and cash management</li> <li>• annual report and accounts, scheme accounting and audit</li> <li>• annual renewals</li> </ul>
<p>10. Demonstrate an understanding of pensioner payroll requirements</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> <li>• taxation of lump sum options</li> <li>• application of tax codes</li> <li>• accounting for tax deducted</li> <li>• application of pension increases</li> <li>• record keeping</li> <li>• reporting</li> <li>• treatment of overpayments or underpayments and communication</li> <li>• combatting identity fraud</li> <li>• responding to guidance such as payments overseas</li> <li>• member insolvency</li> <li>• earmarking orders</li> </ul>
<p>11. Explain from a UK perspective the practical benefit considerations to be taken into account when a member moves abroad</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> <li>• residence overseas before and after retirement including temporary absence abroad</li> <li>• cross border regulations</li> <li>• overseas transfer charge</li> </ul>
<p>12. Demonstrate an understanding of current issues and outline recent developments in legislation and forthcoming changes that will impact on the governance of retirement provision</p>	<p>(A) Explain the impact of recent developments:</p> <ul style="list-style-type: none"> <li>• DC Code and How to Guides</li> <li>• combating pension scams</li> <li>• cyber security</li> </ul>
<p>13. Describe the procedures to be adopted in connection with the winding up of a trust-based pension scheme and demonstrate an understanding of the powers and duties of trustees in such situations and related issues</p>	<p>(A) Outline the interaction with the employer            (B) Explain scheme termination            (C) Define the procedure for wind up            (D) Explain the importance of tracing members explain the issue of company insolvency outline the role of the:</p> <ul style="list-style-type: none"> <li>• Pension Protection Fund</li> <li>• Financial Assistance Scheme</li> </ul> <p>(E) Describe discharging duties on termination</p>

## CU4 – Financing and Investing for Retirement Provision

### Unit Aims

To provide an overview of how employers and employees pay for workplace pensions and distinguishing between defined benefit and defined contribution arrangements and including an appreciation of:

- the factors which will influence the funding strategy, including the taxation regime
- risk appreciation and management
- financial regulation
- accounting and tax issues
- investment, investment management, investment strategy and governance

<b>Unit Level</b>	4	<b>Unit Reference</b>	CU4	<b>Unit Number</b>	J/650/7364
<b>TQT</b>	120	<b>Unit Grading Structure</b>	Pass/Fail (65% pass boundary)		
<b>Assessment Guidance</b>		Written Exam			
<b>Learning Outcomes - The Learner will:</b>			<b>Syllabus - The Learner can:</b>		
<p><b>1.</b> Demonstrate an understanding of the principal reasons why retirement benefits are financed</p>			<p><b>(A)</b> Analyse the following:</p> <ul style="list-style-type: none"> <li>• security</li> <li>• stability and cash flow</li> <li>• taxation</li> <li>• accounting practices</li> </ul> <p><b>(B)</b> Explain the funding of public sector schemes</p>		
<p><b>2.</b> Understand how workplace pension schemes are financed</p>			<p><b>(A)</b> Describe employer and employee contributions</p> <p><b>(B)</b> Outline the features of:</p> <ul style="list-style-type: none"> <li>• Salary Sacrifice</li> <li>• Additional Voluntary Contributions (AVCs)</li> </ul> <p><b>(C)</b> Describe unfunded schemes</p> <p><b>(D)</b> Understand the risks and how they can be managed</p>		
<p><b>3.</b> Demonstrate an understanding of the tax regime and allowances</p>			<p><b>(A)</b> Explain the tax relief/charges for/on the following:</p> <ul style="list-style-type: none"> <li>• contributions</li> <li>• payments</li> </ul> <p><b>(B)</b> Describe the taxation of Employer Financed Retirement Benefit Schemes</p>		

<p>4. Understand the different types of investments available to pension funds, explain their differences and suitability for different types of retirement provision</p>	<p><b>(A)</b> Analyse the nature of equities:</p> <ul style="list-style-type: none"> <li>• UK</li> <li>• overseas</li> <li>• new issues and underwriting</li> </ul> <p><b>(B)</b> Analyse the nature of bonds:</p> <ul style="list-style-type: none"> <li>• fixed interest – government/corporate, overseas, high-yield and emerging market debt</li> <li>• index linked</li> <li>• new issues and underwriting</li> </ul> <p><b>(C)</b> Outline the other assets available:</p> <ul style="list-style-type: none"> <li>• property</li> <li>• cash</li> <li>• currency and currency hedging</li> <li>• derivatives</li> <li>• private equity</li> <li>• commodities</li> <li>• absolute return funds, including diversified growth funds</li> <li>• infrastructure</li> <li>• insurance policies</li> <li>• stock lending/underwriting</li> <li>• buy outs/ins, with profits, annuities</li> </ul>
<p>5. Understand the financial regulation of workplace pension schemes</p>	<p><b>(A)</b> Explain the impact of/for the following:</p> <ul style="list-style-type: none"> <li>• Financial Services and Markets Act 2000 (FSMA)</li> <li>• Pensions Act 2004</li> <li>• The Pensions Regulator</li> <li>• Pension Protection Fund</li> <li>• Self-investment</li> </ul>
<p>6. Describe the financial administration and governance of workplace pension schemes</p>	<p><b>(A)</b> Explain the following aspects:</p> <ul style="list-style-type: none"> <li>• contribution management</li> <li>• cash flow management</li> <li>• accounting for tax</li> <li>• investment records</li> <li>• scheme accounts</li> <li>• accounting standards</li> <li>• audit</li> </ul>

7. Describe the tax treatment of scheme investments

**(A)** Analyse each of the following:

- investment income/capital gains
- property
- insurance policies
- overseas investments
- income from trade
- withholding tax

<p><b>8.</b> Explain the considerations when an individual is determining their investment strategy for and during retirement</p>	<p><b>(A)</b> Analyse the impact of the following:</p> <ul style="list-style-type: none"> <li>• life expectancy</li> <li>• income needs and shape in retirement</li> <li>• expected retirement age</li> <li>• size of existing fund and future contributions</li> <li>• investment funds available including lifestyle, target date and default and the need to review these on a regular basis</li> <li>• attitude to risk</li> <li>• role of regulation and legislation</li> <li>• future economic conditions</li> <li>• costs and charges</li> </ul> <p><b>(B)</b> Demonstrate an understanding of the roles and responsibilities of employer and trustees in the provision of investment options for defined contribution schemes including master trusts</p> <p><b>(C)</b> Explain the following:</p> <ul style="list-style-type: none"> <li>• implications of size and type of scheme</li> <li>• default funds</li> <li>• retirement ages outcome assessment</li> <li>• charges</li> <li>• member education</li> <li>• master trust</li> <li>• advice</li> </ul>
<p><b>9.</b> Describe what factors should be taken into account when determining a trust-based defined benefit scheme's overall investment strategy</p>	<p><b>(A)</b> Analyse the impact of the following:</p> <ul style="list-style-type: none"> <li>• member demographics</li> <li>• size and type of scheme</li> <li>• strength of employer covenant</li> <li>• role of regulation and legislation</li> <li>• employer and trustee attitude to risk</li> <li>• Statement of Investment Principles</li> <li>• de-risking strategies</li> <li>• diversification</li> <li>• economic conditions</li> </ul>
<p><b>10.</b> Distinguish between the various approaches to investment management and outline how, why and which size and type of scheme each might be used</p>	<p><b>(A)</b> Analyse the following:</p> <ul style="list-style-type: none"> <li>• segregated and pooled funds</li> <li>• active and passive management</li> <li>• manager structures</li> <li>• multi manager funds</li> <li>• in house management</li> <li>• delegation and fiduciary management</li> </ul> <p><b>(B)</b> Evaluate the various approaches to investment management and discuss where each approach may be used</p>

**11.** Outline factors taken into consideration when selecting, monitoring and changing investment managers

**(A)** Explain each of the following:

- manager selection process
- custody and title of assets
- fee structure
- setting performance targets
- ethical and socially responsible investment
- investment management agreements
- administration
- transition management
- frequency of monitoring and governance
- multiple managers
- transition risk

## DBA – Defined Benefit Arrangements

### Unit Aims

To provide an in depth understanding of trust-based defined benefit (DB) arrangements, building on and utilising the knowledge gained in the core units and applying it in a variety of scenarios, recognising the requirements of different stakeholders.

<b>Unit Level</b>	6	<b>Unit Reference</b>	DBA	<b>Unit Number</b>	K/650/7365
<b>TQT</b>	240	<b>Unit Grading Structure</b>	Pass/Fail (55% pass boundary)		
<b>Assessment Guidance</b>		Written Exam			
<b>Learning Outcomes - The Learner will:</b>			<b>Syllabus - The Learner can:</b>		
<p><b>1.</b> Demonstrate an understanding of the factors which influenced defined benefit scheme design and the trend for new arrangements to be defined contribution schemes.</p>			<p><b>(A)</b> Explain the impact of the following:</p> <ul style="list-style-type: none"> <li>• employer needs</li> <li>• employee needs</li> <li>• legislation</li> <li>• corporate activity</li> <li>• State provision</li> <li>• administrative considerations</li> <li>• eligibility conditions, contractual enrolment and automatic enrolment</li> <li>• design of contribution structures</li> <li>• salary sacrifice and its application</li> <li>• new developments</li> </ul>		
<p><b>2.</b> Understand the different types of DB arrangements and current trends</p>			<p><b>(A)</b> analyse each of the following workplace arrangements:</p> <ul style="list-style-type: none"> <li>• final salary (including cash balance)</li> <li>• career average</li> <li>• defined ambition (risk sharing schemes)</li> </ul> <p><b>(B)</b> Analyse individual and executive arrangements</p>		
<p><b>3.</b> Demonstrate an understanding of certain key features of the tax system that apply to defined benefit schemes</p>			<p><b>(A)</b> Analyse the impact of the following:</p> <ul style="list-style-type: none"> <li>• tax relief on contributions and investment return</li> <li>• authorised and unauthorised payments</li> <li>• Annual Allowance</li> <li>• Lifetime Allowance</li> <li>• protection</li> <li>• Benefit Crystallisation Events</li> <li>• registration and de registration</li> <li>• scheme pays</li> </ul>		

<p>4. Identify the roles of the employer and trustees</p>	<p><b>(A)</b> Evaluate the importance of:</p> <ul style="list-style-type: none"><li>• legal requirements</li><li>• good governance and best practice including the voluntary “Code of Good Practice” on Incentive Exercises</li><li>• governance and impact on member outcomes</li></ul> <p><b>(B)</b> evaluate each of the following:</p> <ul style="list-style-type: none"><li>• selection, appointment, management, monitoring and review of advisers, delivery vehicles and providers</li></ul>
<p>5. Demonstrate an understanding of the impact of the abolition of contracting out</p>	<p><b>(A)</b> Explain the requirements for each of the following:</p> <ul style="list-style-type: none"><li>• historic requirements</li><li>• changes to scheme design</li><li>• reporting requirements (leavers; retirements; solvency)</li><li>• GMP equalisation/reconciliation/convergence</li><li>• cessation</li></ul>



6. Describe the scheme level requirements for the administration of DB arrangements

**(A)** Active, deferred and pensioner members:

- communication
  - disclosure
  - pension saving statements
  - Additional Voluntary Contribution (AVC) Statutory Money Purchase Illustrations
- reconciliation procedures
- AVC
  - Investments
  - switching/redirection
  - charges
  - guarantees

**(B)** Options on early leaving:

- refunds
- deferred benefits,
- transfers (in and out) including public sector restrictions

**(C)** Retirement options:

- retirement
- ill-health retirement
- phased retirement
- flexible retirement
- lump sum options including trivial commutation
- open market option and different types of annuities

**(D)** Death benefits:

- on death before and after retirement
- payment of lump sums and dependant's pensions
- record keeping

<p>7. Describe the scheme level requirements for the administration of defined contribution AVC arrangements</p>	<p>(A) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> <li>• objectives of defined contribution administration <ul style="list-style-type: none"> <li>○ contribution and investment processing cycle</li> </ul> </li> <li>• legislative requirements for member contributions</li> <li>• reconciliation procedures</li> </ul>
<p>8. Demonstrate an understanding of the legal requirements relating to the funding of registered pension schemes and the practical issues to which they can give rise</p>	<p>(A) Describe and explain the principles of scheme financing  (B) Outline scheme specific funding  (C) Analyse funding objectives and measurement  (D) Explain each of the following:</p> <ul style="list-style-type: none"> <li>• financial and demographic assumptions</li> <li>• calculations of contribution rates</li> <li>• the treatment of types of asset and liability</li> <li>• use of contingent assets</li> <li>• setting factors for early/late retirement commutation, transfer factors</li> <li>• the calculation of individual and group transfer values</li> <li>• actuarial valuations and reports</li> <li>• the role of the Pensions Regulator</li> </ul> <p>(E) Outline annual funding statements  (F) Explain the significance of employer covenant  (G) Define recovery plans and the schedule of contributions  (H) Outline company accounting standards for pension schemes</p>
<p>9. Identify and distinguish between different methods of actuarial funding</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• projected unit method</li> <li>• attained age method</li> <li>• discontinuance</li> <li>• Section 179 Pension Protection Fund basis</li> <li>• accounting standards</li> </ul>

**10.** Describe what factors should be taken into account when determining a defined benefit fund's overall investment strategy

**(A)** Analyse the impact of the following:

- size of scheme, funding level
- strength of employer covenant
- role of regulation and legislation
- employer and trustee attitude to risk
- cash flow requirements
- liability profile
- asset/liability modelling
- liability driven investment
- asset allocation
- risk management
- Statement of Investment Principles
- de-risking strategies

<p><b>11.</b> Demonstrate an understanding of the approaches to managing risk, de-risking and the advantages and disadvantages of each</p>	<p><b>(A)</b> Define and analyse the current approaches:</p> <ul style="list-style-type: none"> <li>• buy in/buy out</li> <li>• longevity swaps</li> <li>• liability driven investment</li> </ul>
<p><b>12.</b> Demonstrate an understanding of the Pension Protection Fund (PPF) levy</p>	<p><b>(A)</b> Describe and explain</p> <ul style="list-style-type: none"> <li>• the purpose of the PPF levy</li> <li>• the calculation basis and issues arising</li> </ul>
<p><b>13.</b> Demonstrate an understanding of the stages of restructuring a defined benefit scheme</p>	<p><b>(A)</b> Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• reviewing benefit design</li> <li>• changing future benefit or contribution structure</li> <li>• closing to new entrants</li> <li>• ceasing future accrual</li> <li>• operating as a closed scheme</li> <li>• winding up</li> <li>• cessation of contracting out</li> </ul>
<p><b>14.</b> Describe the procedures to be adopted in connection with the winding up of a pension scheme and demonstrate an understanding of the powers and duties of trustees in such situations and related issues</p>	<p><b>(A)</b> Outline the interaction with the employer  <b>(B)</b> Explain scheme termination  <b>(C)</b> Define the procedure for wind up  <b>(D)</b> Explain the issue of company insolvency outline the role of:</p> <ul style="list-style-type: none"> <li>• The Pension Protection Fund <ul style="list-style-type: none"> <li>• The Financial Assistance Scheme</li> </ul> </li> </ul> <p><b>(E)</b> Describe discharging benefits on termination</p>
<p><b>15.</b> Describe the process to be followed for a pension scheme's journey into the Pension Protection Fund and demonstrate an understanding of the duties of trustees in such situations and related issues</p>	<p><b>(A)</b> Explain the stages in the process:</p> <ul style="list-style-type: none"> <li>• Section 120 notice</li> <li>• assessment period</li> <li>• transition</li> <li>• compensation</li> <li>• entry to the PPF</li> <li>• communication</li> <li>• project management</li> </ul> <p style="text-align: right;">• timescales</p>

<p><b>16.</b> Demonstrate an understanding of the challenges created by legacy issues</p>	<p><b>(A)</b> Understand the challenges created by:</p> <ul style="list-style-type: none"> <li>• administering legacy arrangements</li> <li>• contracting out</li> <li>• reporting requirements</li> <li>• data standards</li> <li>• resolution of data discrepancies</li> </ul>				
<p><b>DCA – Defined Contribution Arrangements</b></p>					
<p><b>Unit Aims</b></p> <p>To provide an in depth understanding of trust and contract-based Defined Contribution (DC) arrangements, building on and utilising the knowledge learners have gained in the core units to show that they can apply this in a variety of scenarios, recognising the requirements of different stakeholders.</p>					
<p><b>Unit Level</b></p>	<p>6</p>	<p><b>Unit Reference</b></p>	<p>DCA</p>	<p><b>Unit Number</b></p>	<p>L/650/7366</p>
<p><b>TQT</b></p>	<p>240</p>	<p><b>Unit Grading Structure</b></p>	<p>Pass/Fail (55% pass boundary)</p>		
<p><b>Assessment Guidance</b></p>		<p>Written Exam</p>			
<p><b>Learning Outcomes - The Learner will:</b></p>			<p><b>Syllabus - The Learner can:</b></p>		
<p><b>1.</b> Demonstrate an understanding of the factors which influence DC arrangement design and their influence on administration</p>			<p><b>(A)</b> Explain the impact of the following:</p> <ul style="list-style-type: none"> <li>• employee needs</li> <li>• employer strategy including corporate activity</li> <li>• legislation and legacy issues</li> <li>• State provision</li> <li>• administrative considerations</li> <li>• eligibility conditions, contractual enrolment and automatic enrolment</li> <li>• design of contribution structures including automatic enrolment phasing</li> <li>• salary sacrifice and its application</li> <li>• charging structures and costs</li> </ul>		
<p><b>2.</b> Understand the different types of DC arrangements and current trends</p>			<p><b>(A)</b> Analyse each of the following workplace arrangements:</p> <ul style="list-style-type: none"> <li>• trust-based</li> <li>• contract-based</li> <li>• group</li> <li>• employer-sponsored arrangements</li> <li>• bundled and unbundled arrangements</li> <li>• master trusts</li> </ul>		

3. Evaluate the importance of system design in the administration of DC arrangements

(A) Analyse the impact of the following:

- system requirements
- legislative requirements
- interfaces
- online access
- online enrolment
- Straight Through Processing

<p>4. Demonstrate an understanding of the regulatory bodies and their key functions and consider the financial aspects of DC administration</p>	<p>(A) Explain the functions of each of the following:</p> <ul style="list-style-type: none"> <li>• Her Majesty's Revenue &amp; Customs</li> <li>• The Pensions Regulator</li> <li>• Financial Conduct Authority/The Prudential Regulation Authority</li> </ul> <p>(B) Explain the requirements for each of the following:</p> <ul style="list-style-type: none"> <li>• bank accounts</li> <li>• cash management</li> <li>• scheme accounts and auditing</li> <li>• risk benefits and re-broking</li> </ul>
<p>5. Describe the member level requirements for the administration of DC arrangements</p>	<p>(A) Explain the procedures involved in:</p> <ul style="list-style-type: none"> <li>• contribution management</li> <li>• contribution investment processing including:</li> <li>• payment of contributions</li> <li>• investment switches/redirections</li> <li>• purchase of units</li> <li>• unit reconciliation checks</li> <li>• disinvestments</li> <li>• analyse the impact of the following:</li> <li>• tax relief on contributions</li> <li>• Annual Allowance, Tapered Annual Allowance and Money Purchase Annual Allowance and Scheme Pays</li> <li>• active and deferred member communications:</li> <li>• pension savings statements</li> <li>• benefit statements and Statutory Money Purchase Illustrations</li> </ul>

6. Explain the authorised pension benefits payable from DC arrangements

**(A)** Describe each of the following:

- Options on early leaving:
  - refunds
  - deferred benefits
- Transfer options
- Death benefit options:
  - death in service
  - death in deferment
  - death in retirement
- Retirement options:
  - different types of annuities, including enhanced and the open market option
  - lump sum options including full commutation
  - income drawdown (capped and flexible)
  - uncrystallised funds pension lump sum
  - at/when given retirement advice
- Timing of retirement
  - early retirement
  - phased/flexible retirement
  - ill-health retirement
- Closing and winding up schemes
- Disclosure requirements including retirement risk warnings

**(B)** Analyse the impact of the Lifetime Allowance:

- various protection regimes
- Benefit Crystallisation Events
- registration and de-registration



<p>7. Identify the roles of the employer, trustees, providers and employer and provider governance committees and distinguish between trust-based and contract-based pension arrangements</p>	<p><b>(A)</b> Evaluate each of the following:</p> <ul style="list-style-type: none"> <li>• governance structures/committees:</li> <li>• trustee (e.g. DC sub-committee/master trust)</li> <li>• employer</li> <li>• provider</li> </ul> <p><b>(B)</b> Evaluate the importance of:</p> <ul style="list-style-type: none"> <li>• legal requirements around governance</li> <li>• best practice</li> <li>• charges and value for money</li> <li>• internal controls</li> <li>• conflicts of interest</li> <li>• record keeping and regular reconciliations</li> <li>• the Chair's statement</li> <li>• risk management including reviewing advisers, delivery vehicles and providers</li> <li>• good member outcomes including member communication and engagement</li> </ul> <p><b>(C)</b> Describe the role of the Pensions Regulator in supporting good governance in relation to:</p> <ul style="list-style-type: none"> <li>• Guidance</li> <li>• Code of Practice</li> <li>• How to Guides</li> </ul>
<p>8. Describe what factors should be taken into account by employers, trustees and governance committees when determining investment strategy</p>	<p><b>(A)</b> Analyse the impact of the following:</p> <ul style="list-style-type: none"> <li>• default funds and their review</li> <li>• range of funds</li> <li>• monitoring performance</li> <li>• Statement of Investment Principles</li> <li>• Investment Governance Group Principles</li> </ul>
<p>9. Understand the investment considerations for members of DC arrangements</p>	<p><b>(A)</b> Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• different types of investments and the risk attached to each: <ul style="list-style-type: none"> <li>○ default funds</li> <li>○ target date funds</li> <li>○ lifestyle options</li> </ul> </li> <li>• types of investment management and charging</li> <li>• investment platforms</li> <li>• lifestyle strategies</li> </ul>

<p><b>10.</b> Demonstrate an understanding of individual arrangements and specialist pension provision for executives and directors</p>	<p><b>(A)</b> Describe each of the following:</p> <ul style="list-style-type: none"> <li>• different arrangements for executives and directors <ul style="list-style-type: none"> <li>○ Executive Pension Plans</li> <li>○ Small Self Administered Schemes</li> <li>○ Employer Financed Retirement Benefit Schemes</li> </ul> </li> <li>• different types of individual pension arrangement <ul style="list-style-type: none"> <li>○ personal pension plans</li> <li>○ stakeholder schemes</li> <li>○ self-invested personal pensions</li> <li>○ retirement annuity contracts</li> </ul> </li> </ul>
<p><b>11.</b> Outline recent developments in legislation and forthcoming changes that will impact on DC pension provision</p>	<p><b>(A)</b> Explain the impact of recent developments:</p> <ul style="list-style-type: none"> <li>• taxation of ROPS transfers</li> <li>• Pensions Advice Allowance</li> <li>• reduction to Money Purchase Annual Allowance</li> <li>• market consolidation (bulk transfers of DC pensions without consent and master trust developments)</li> <li>• latest DC governance reforms including early exit charges and transparency measures</li> <li>• Pensions Dashboard</li> <li>• Lifetime ISA and comparison to DC pension savings, pensions tax relief consultation</li> <li>• General Data Protection Regulation</li> <li>• measures to tackle pension scams</li> </ul>

## Reward and Retirement Provision

### Unit Aims

To provide an understanding of the main employee benefits, their value, cost structures, taxation implications and how they interact with saving for retirement. To include appreciation of:

- the employee and employer perspectives
- rewards strategies
- communication and engagement

<b>Unit Level</b>	6	<b>Unit Reference</b>	RRP	<b>Unit Number</b>	M/650/7367
<b>TQT</b>	240	<b>Unit Grading Structure</b>	Pass/Fail (55% pass boundary)		
<b>Assessment Guidance</b>		Written Exam			
<b>Learning Outcomes - The Learner will:</b>			<b>Syllabus - The Learner can:</b>		
<p><b>1.</b> Outline the factors to be taken into consideration when developing a total rewards strategy</p>			<p><b>(A)</b> Explain the impact of the following:</p> <ul style="list-style-type: none"> <li>• employee demographics</li> <li>• globalisation</li> <li>• BREXIT</li> <li>• cost</li> <li>• market position</li> <li>• recruitment and retention</li> <li>• automatic enrolment</li> <li>• employee and employer perspective</li> <li>• flexible benefits</li> <li>• State benefits</li> </ul> <p><b>(B)</b> Explain the communication of employee benefits via:</p> <ul style="list-style-type: none"> <li>• methods</li> <li>• advantages and disadvantages</li> <li>• employee behaviour</li> <li>• the Pensions Regulator's guidance</li> <li>• roles and their interaction</li> <li>• HR, payroll, pensions, finance</li> <li>• data flows</li> <li>• selecting and managing providers and advisers</li> </ul>		
<p><b>2.</b> Identify the employer perspective in relation to a total rewards strategy including oversight responsibility</p>			<p><b>(A)</b> Explain the development of rewards strategies including the needs of an ageing population</p> <p><b>(B)</b> Outline the tax implications and the pensions benefit implications</p>		

<p>3. Outline the elements that employers may use as part of their rewards package</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• income protection schemes</li> <li>• critical illness schemes</li> <li>• health care schemes</li> <li>• personal accident benefits</li> <li>• sabbaticals</li> <li>• career breaks</li> <li>• child care</li> <li>• dental/optical cover</li> <li>• retail vouchers</li> <li>• other elements</li> </ul>
<p>4. Explain the main features of establishing and maintaining the rewards package</p>	<p>(A) Explain the impact of the following:</p> <ul style="list-style-type: none"> <li>• employee engagement and communication</li> <li>• broking benefits</li> <li>• timing</li> <li>• benefit evaluation</li> </ul>
<p>5. Explain the purpose and principal features of company share schemes</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• SAYE share option schemes</li> <li>• Share Incentive Plans</li> <li>• executive share option schemes</li> <li>• profit sharing schemes</li> <li>• employee share ownership plans</li> <li>• unapproved and phantom share schemes</li> <li>• tax treatment</li> <li>• capital gains tax</li> <li>• an overseas sponsor</li> </ul>
<p>6. Explain the concept of remuneration as part of a rewards package</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• remuneration</li> <li>• bonus schemes</li> </ul>
<p>7. Demonstrate an understanding of the principles of salary/bonus sacrifice</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• reasons for adopting salary/bonus sacrifice</li> <li>• criteria to be an effective sacrifice arrangement</li> <li>• scheme design considerations</li> <li>• National Insurance savings to employer/employees</li> <li>• effect on State benefits</li> <li>• communication to employees</li> <li>• tax implications</li> <li>• contract of employment implications</li> </ul>

<p><b>8.</b> Understand and determine the use of flexible benefits</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• reasons for offering flexible benefits</li> <li>• designing a flexible benefits package:</li> <li>• core benefits</li> <li>• degree of flexibility</li> <li>• delivery of a flexible benefits package</li> <li>• employee communications</li> <li>• explain each of the following:</li> <li>• the impact of automatic enrolment</li> <li>• retirement provision options</li> <li>• additional contributions</li> <li>• salary sacrifice</li> <li>• rates of accrual</li> <li>• taxation implications and effect on State benefits</li> <li>• life events</li> <li>• contract of employment implications</li> </ul>
<p><b>9.</b> Outline the impact of tax charges for individuals</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• disguised remuneration</li> <li>• cash alternatives</li> <li>• ill health</li> </ul>
<p><b>10.</b> Outline future developments</p>	<p>(A) Explain the impact of recent developments</p>

## Managing International Employee Benefits

### Unit Aims

To build on the material covered in International 1 (CU1B): Foundation in International Employee Benefits to develop an understanding of the following issues:

- The employee benefit objectives of a multinational company
- The funding and risk management aspects of providing employee benefits
- Management of risk benefits
- Pensions and employee benefit provision in Brazil, China, India and a regional overview of Africa, Asia and Latin America to highlight the different practices of pensions and employee benefit provision
- Benefits for internationally mobile employees
- The employee benefit implications of mergers and acquisitions
- Trends in employee benefit provision

<b>Unit Level</b>	6	<b>Unit Reference</b>	MIEB	<b>Unit Number</b>	R/650/7368
<b>TQT</b>	240	<b>Unit Grading Structure</b>	Pass/Fail (55% pass boundary)		
<b>Assessment Guidance</b>		Written Exam			
<b>Learning Outcomes - The Learner will:</b>			<b>Syllabus - The Learner can:</b>		
<b>1.</b> Outline the employee benefit objectives that multinational companies have and the factors taken into account in the development of an international employee benefit strategy			<b>(A)</b> Analyse each of the following: <ul style="list-style-type: none"> <li>• Summary of benefit objectives</li> <li>• Factors to take into account in the formulation of a benefit strategy</li> <li>• Typical elements contained within a benefit strategy</li> <li>• Measures of effective benefit strategies</li> </ul>		
<b>2.</b> Describe the funding and risk management aspects involved in defined benefit pension and retirement benefits			<b>(A)</b> Explain each of the following: <ul style="list-style-type: none"> <li>• What elements are covered when considering the funding and financing policy</li> <li>• Differences between funding and accounting valuations and choice of funding method approaches and vehicles for retirement benefit funding</li> <li>• Elements taken into account in the risk assessment and management of employee benefits including investment, mortality and other risk elements</li> </ul>		
<b>3.</b> Describe the importance of managing risk benefits and outline the activities that are carried out			<b>(A)</b> Analyse the aspects related to the insurance of benefits including assessment of risk, choice of benefits to insure, choice of provider, multinational pooling and captives		

4. Describe typical pensions and employee benefit practice and environment and outline the factors influencing benefit design in the selected countries and regions

(A) analyse each of the following:

- Economic and employment background
- Social security benefits and financing
- Compulsory benefits and voluntary plans
- Delivery of benefits
- Funding and financing of benefits including investment of plan assets
- Regulatory and tax framework
- Administration of benefits

<p>5. Explain the issues relating to internationally mobile employees in respect of their pensions and employee benefits and describe the possible solutions to the different challenges in mobility of employees</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• Types of transfers of employees</li> <li>• Social security issues</li> <li>• Occupational pension issues</li> <li>• European Union regulations and influence</li> <li>• Home country, host country, international plan approaches</li> <li>• Legal, taxation and financing issues</li> <li>• Other benefit provision</li> </ul>
<p>6. Demonstrate an understanding of the pensions and employee benefit issues in respect of mergers and acquisitions</p>	<p>(A) Outline the general features of mergers and acquisitions and the employee benefit implications</p> <p>(B) Explain the general and country specific problem areas</p> <p>(C) Analyse pensions and employee benefit policy and strategy in respect of mergers and acquisitions</p>
<p>7. Outline the current and likely future global trends in pensions and employee benefit provision</p>	<p>(A) Analyse each of the following:</p> <ul style="list-style-type: none"> <li>• Key trends and pressures influencing pension and benefit provision</li> <li>• Economic, social, demographic and labour market changes and their impact on benefit provision</li> </ul>



## Professionalism and Governance

### Unit Aims

To provide learners with:

An understanding of the importance of professionalism and ethics and the importance of continuing their own professional development. It offers an appreciation of risk and governance issues as they apply to pension schemes, the opportunity to demonstrate their ability to apply risk and governance principles in a practical situation and then evidence that they can communicate their knowledge in a way that is relevant to their audience.

<b>Unit Level</b>	6	<b>Unit Reference</b>	P&G	<b>Unit Number</b>	T/650/7369
<b>TQT</b>	240	<b>Unit Grading Structure</b>	Pass/Fail (55% pass boundary)		
<b>Assessment Guidance</b>		Written Exam			
<b>Learning Outcomes - The Learner will:</b>			<b>Syllabus - The Learner can:</b>		
<b>1.</b> Understand the Professional Standards expected of PMI Members as set out in the PMI Code of Professional Conduct.			<b>(A)</b> Explain the importance of the following: <ul style="list-style-type: none"> <li>• acting with the highest standards of professionalism and integrity</li> <li>• providing a high standard of service</li> <li>• acting in the best interests of each client</li> <li>• treating people fairly in regard to the twelve protected characteristics as detailed in the Equality Act (2010)</li> </ul>		
<b>2.</b> Identify the importance of continuing personal development (CPD)			<b>(A)</b> Explain each of the following: <ul style="list-style-type: none"> <li>• Trustee Knowledge and Understanding (TKU)</li> <li>• Continuing Professional Development and the requirements of the PMI and other professions</li> </ul>		
<b>3.</b> Understand the significance professionalism and business ethics			<b>(A)</b> Explain the importance of the following: <ul style="list-style-type: none"> <li>• corporate culture</li> <li>• dealing with complaints</li> <li>• conflicts of interest</li> <li>• ethical dilemmas - identification, implications and appropriate behaviour</li> <li>• whistle-blowing legislative requirements and the protections given to whistle blowers</li> </ul>		
<b>4.</b> Explain the commercial aspects of operating a workplace pension scheme			<b>(A)</b> Analyse each of the following: <ul style="list-style-type: none"> <li>• nature of costs</li> <li>• cost control</li> <li>• budgeting</li> <li>• contracts management and agreements</li> </ul>		

<p>5. Understand the management and measurement of service delivery</p>	<p>(A) Explain each of the following:</p> <ul style="list-style-type: none"> <li>• selecting, monitoring and changing advisers</li> <li>• managing client relationships</li> <li>• service level agreements</li> <li>• type, role and value of performance measures</li> <li>• reporting</li> <li>• contract remedies</li> <li>• quality management systems and kite marks</li> <li>• benchmarking</li> <li>• member and client surveys</li> <li>• complaint/dispute resolution</li> </ul>
<p>6. Justify the importance of good governance in managing a workplace pension scheme</p>	<p>(A) Explain the features of scheme governance</p> <p>(B) Outline the roles of the employer, trustees, providers, and employer and provider governance committees</p> <p>(C) Outline the importance of:</p> <ul style="list-style-type: none"> <li>• risk management</li> <li>• member communication and engagement</li> <li>• investment and manager selection</li> </ul> <p>(D) Evaluate each of the following:</p> <ul style="list-style-type: none"> <li>• structures/governance committees</li> <li>• internal controls</li> <li>• scheme documents including: <ul style="list-style-type: none"> <li>○ governance statement</li> <li>○ annual business plan</li> <li>○ training records</li> </ul> </li> <li>• documentation and record keeping</li> <li>• relevant Pensions Regulator Codes of Practice and guidance</li> <li>• data quality</li> <li>• selection, management and review of advisers and providers</li> <li>• recognised industry standards e.g. ICAEW's AAF 01/06, FRAG 21 reports</li> </ul>
<p>7. Outline factors taken into consideration when selecting, monitoring and changing investment managers</p>	<p>(A) Explain each of the following:</p> <ul style="list-style-type: none"> <li>• identifying investment requirements</li> <li>• manager selection processes</li> <li>• custody and title of assets</li> <li>• fee structures</li> <li>• setting investment performance targets</li> <li>• ethical and socially responsible investment</li> <li>• investment management agreements</li> <li>• administration</li> <li>• transition management</li> <li>• monitoring investment performance and governance</li> </ul>

<p>8. Provide an understanding of internal controls</p>	<p>(A) Describe internal controls (B) Explain why internal controls are required (C) Describe the assessment of risk</p>
<p>9. Explain the role of the trustees in managing risk</p>	<p>(A) Outline the process of governance review/risk management (B) Outline preparation and management of a risk register identify how to mitigate risk (C) Analyse the nature of de-risking (D) Analyse the role of the TKU requirements</p>

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