

## THE PENSIONS MANAGEMENT INSTITUTE

### CERTIFICATE IN PENSION SCHEME MEMBER GUIDANCE

#### Assessors' Report – June 2017 Assessments

##### Introduction

This qualification is designed to meet the needs of pensions staff who regularly liaise with members selecting options from a pension scheme. It is concerned with improving member outcomes and providing guidance on benefit options. As this guidance is in the area of non regulated advice the qualification provides an overview of the distinction between regulated and non regulated advice, the different types of pension scheme and the factors that need to be considered in making decisions in regard to benefits. It covers various options and situations, including: joining, leaving, transferring, retirements, commutation, death, and divorce.

Full details on the qualification and its syllabus can be found in the Qualification Specification on the website: <http://www.pensions-pmi.org.uk/qualifications-and-learning/certificate-in-pension-scheme-member-guidance/>

This report provides feedback on the assessment and some common issues that arose.

##### Assessment

The oral assessment is conducted over a telephone conversation between candidate and assessor. The conversation is of 15 minutes duration (approx.). The assessor poses as a pension scheme member seeking guidance. The topic of the oral assessment could range across the breadth of the syllabus. The assessment is recorded for the purposes of moderation, which takes place after all calls have been conducted and before results are confirmed.

The assessment will explore how well candidates:

- question a member to gain a proper understanding of the issue and identify the relevant facts that need to be explained to them;
- explain the key points that they need to understand which might affect a member's decision
- are aware when a member does not understand something and how they offer further information to assist a member in gaining better understanding; and
- help the member understand how to get more personal guidance and advice if required.

In order to attempt the oral assessment it is necessary to have completed the tests and assignments within the online learning programme.

The assessment take place during specific "windows" each year and details of these can be found in the study timetable.

A briefing document is issued to candidates along with confirmation when the oral assessment is scheduled.

Full details can be found in the Test Specification on the website: <http://www.pensions-pmi.org.uk/qualifications-and-learning/certificate-in-pension-scheme-member-guidance/assessment/>

### June 2017 Assessments

8 candidates undertook the assessment. The overall pass rate was 50%.

The result is either Pass or Fail, which is stated on the result notification. The decision of the assessors is final and no further breakdown of the results is available. It is possible to attempt the oral assessment again during a future window.

An important aspect of this qualification is the distinction between regulated financial advice and information and guidance and who can provide each of these. Furthermore, it is essential for candidates to beware of inadvertently providing advice or implied advice during conversations.

- Whilst it is imperative that candidates do not give any kind of advice to the member, running through the advantages and/or disadvantages of an option is not advice e.g. explaining that an annuity gives regular taxable income is a feature not advice
- There were a number of tax issues that could have been covered as part of the answer; very few candidates spoke about tax at all and if they did it was just in passing e.g. few candidates mentioned that income from the fund could be deferred until such time as the customer finished work and might then be in a lower tax bracket

It is also important for candidates to establish the identity of the caller and gather appropriate security details and this is covered in the briefing document. This stage must not be omitted and should be covered before candidates start discussing the specific pension issues raised in the call.

Candidates should also:

- Make good use of any notes that they have made as they worked through the online learning programme and completed the test and case study assignments – all the information and guidance that is needed to be successful is contained within the online learning programme. It is of course possible to bring knowledge and experience to bear gained more widely.
- Read the scenario carefully together with the briefing notes – this will ensure the best chance of having a successful call.
- Note that if during a call an assessor re-phrases a question or asks a supplementary question this is a clue that a candidate have not covered in sufficient details (or indeed at all) the information expected and candidates should take a moment to re-think the response.
- Not focus on only one option, where several may be possible, in any response – giving huge details on one option e.g. annuities and nothing or little at all on another e.g. drawdown is unlikely to be successful.
- Ensure that the best possible use is made of the time available. A limited time is available for each call and so responses must be focussed and comprehensive.

Finally, whilst some nerves are understandable and allowance for this is given, assessors are looking for candidates to speak clearly and confidently and to cover all appropriate options.