



**Pensions
Management
Institute**
Moving pensions forward

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Core Unit 4 Sample Questions

1. Who regulates the tax reliefs available on pension schemes?
 - a. The trustees of the pension scheme.
 - b. HM Revenue & Customs.
 - c. The sponsoring employers.
 - d. The Pensions Regulator.

2. Which of the following does a SORP for pension schemes set out?
 - a. The basis for disclosing scheme information.
 - b. The basis of the financial reporting for schemes.
 - c. The actuarial valuation basis.
 - d. The method of reporting pension costs in company accounts.

3. Investment managers must be authorised by the
 - a. Pensions Regulator
 - b. Financial Conduct Authority
 - c. Association of British Insurers
 - d. Institute of Financial Planning.

4. Asset allocation deals with the
 - a. statement of investment principles
 - b. allocation of assets to beneficiaries
 - c. apportionment of assets between different investment managers
 - d. apportionment of assets between various investment classes.

5. What is a segregated fund?
 - a. An alternative name for a pooled fund.
 - b. A fund managed independently from other funds under the investment manager's control.
 - c. The separation of investments between various classes of investment.
 - d. The investment of funds by using a unit-linked insurance policy.



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6. Effects of the pensions tax regime introduced from 6 April 2006 were that
- (i) different tax regimes for the limits on contributions to pension schemes were replaced by a new single tax regime.
 - (ii) the concepts of early and late retirement were abolished in relation to the calculation of HM Revenue & Customs benefit limits.
- a. Both True
 - b. Only (i) True
 - c. Only (ii) True
 - d. Both False

Correct Responses:

- 1. B
- 2. B
- 3. B
- 4. D
- 5. B
- 6. A