

UK financial services, regulation and ethics

CF1 Web update 1: 30 August 2013

Please note the following updates (in **bold text**) to your copy of the July 2013 edition of the **CF1: UK financial services, regulation and ethics** study text.

Chapter 1, section D4 Pensioners, page 1/14

Please amend the first sentence of the first paragraph to read as follows:

State pensions are currently increased broadly in line with the **CPI**.

Chapter 7, section D3A Gifts between spouses, page 7/23

Please amend the first paragraph to read as follows:

Transfers between spouses and civil partners, whether during life or on death, are totally exempt. However, if the transferor is domiciled in the UK but the spouse/civil partner is not, the exemption is limited to a total value of **£325,000. You can also elect to be UK domiciled for IHT purposes.** The spouses/civil partners must be legally married/registered for the exemption to apply.

Chapter 8, section C4 State pension credit, example 8.4, page 8/19

Please replace current example with the following:

Example 8.4

Norman, who is single, is aged 65. In 2013/14 he receives a Basic State Pension of £110.15 per week and a private pension of £20 per week giving him a total income of £130.15 per week. He has no other income or savings.

Norman's income is below the guarantee credit and so he will receive a payment in respect of the guarantee credit of:

$$£145.40 - £130.15 = £15.25 \text{ per week.}$$

As Norman receives an income from a private pension and his total income is above the savings credit threshold he will also receive savings credit. This is calculated as 60% of the excess of his weekly income (£130.15) over the savings credit threshold (£115.30):

$$(£130.15 - £115.30) \times 60\% = £8.91 \text{ per week.}$$

This will give Norman a weekly income of $£130.15 + £15.25 + £8.91 = £154.31$.

Chapter 8, section C4 State pension credit, example 8.5, page 8/20

Please make the following change ('Total' figure) to read as follows:

| | |
|--------------------------------|----------------|
| Basic State pension | £163.35 |
| + private pension | £50.00 |
| + savings credit | £22.89 |
| minus savings credit reduction | £0.12 |
| Total | £236.12 |