

Pensions administration

Purpose

At the end of this unit, candidates should understand the:

- regulatory and legislative environment governing pensions;
- basic principles of pension taxation and administration;
- basic pension product types, including group pensions;
- with-profits and unit-linked investments;
- different pensions and options available when taking benefits.

Summary of learning outcomes	Number of questions in the examination*
1. Know HM Revenue & Customs (HMRC) requirements for registering pension schemes.	1
2. Know the relevant financial regulators' rules.	1
3. Know the requirements for disclosure of information.	1
4. Know the procedures for the referral of complaints.	1
5. Know the basic principles of pension taxation.	5
6. Know the key features of the basic pension product types.	5
7. Know the key features of workplace pensions.	10
8. Know the main pension policy administration issues.	2
9. Understand the administration of pension policies.	6
10. Know the principles of medical underwriting.	1
11. Understand the main features of unit linking.	2
12. Understand the main features of with-profits.	2
13. Know the different methods of payment and the consequences of non-payment.	2
14. Understand pension claims and the options available when taking benefits.	9
15. Understand how pension benefits are treated on divorce.	1
16. Understand the use of trusts in pension policies.	1

*The test specification has an in-built element of flexibility. It is designed to be used as a guide for study and is not a statement of actual number of questions that will appear in every exam. However, the number of questions testing each learning outcome will generally be within the range plus or minus 2 of the number indicated.

Important notes

- **Method of assessment:** 50 multiple choice questions (MCQs). 1 hour is allowed for this examination.
- This syllabus will be examined from 1 September 2018 until 31 August 2019.
- Candidates will be examined on the basis of English law and practice in the tax year 2018/2019 unless otherwise stated.
- Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:
 1. Visit www.cii.co.uk/qualifications
 2. Select the appropriate qualification
 3. Select your unit on the right hand side of the page

- 1. Know HM Revenue & Customs (HMRC) requirements for registering pension schemes.**
 - 1.1 Describe HMRC requirements for registering pension schemes, their powers and reporting requirements.
- 2. Know the relevant financial regulators' rules.**
 - 2.1 Describe the relevant regulatory rules.
- 3. Know the requirements for disclosure of information.**
 - 3.1 Describe the requirements for the disclosure of information.
- 4. Know the procedures for the referral of complaints.**
 - 4.1 Describe the relevant parties and timescales for dealing with complaints and how they relate to each other.
- 5. Know the basic principles of pension taxation.**
 - 5.1 Describe the tax treatment of contributions, pension funds, benefits and payments, the basic principles of salary sacrifice, pension contribution refunds and perform appropriate calculations.
- 6. Know the key features of the basic pension product types.**
 - 6.1 Describe the key features of pension products within the HMRC regime.
- 7. Know the key features of workplace pensions.**
 - 7.1 Describe the key features and administration procedures for pension schemes facilitated by employers for their employees.
 - 7.2 Describe the main issues and administration procedures for automatic enrolment into workplace pensions.
- 8. Know the main pension policy administration issues.**
 - 8.1 Describe the main issues and compliance procedures arising in the arrangement of pensions.
- 9. Understand the administration of pension policies.**
 - 9.1 Describe the main issues arising in the administration of pensions.
- 10. Know the principles of medical underwriting.**
 - 10.1 Describe the principles of medical underwriting.
- 11. Understand the main features of unit linking.**
 - 11.1 Describe the main features of unitised funds.
- 12. Understand the main features of with-profits.**
 - 12.1 Describe the main features of with-profits funds.
- 13. Know the different methods of payment and the consequences of non-payment.**
 - 13.1 Describe the different methods and ways of payment and the consequences of non-payment.
- 14. Understand pension claims and the options available when taking benefits.**
 - 14.1 Describe the different types of benefits payable and the different ways of drawing benefit, including relevant calculations and administrative requirements.
- 15. Understand how pension benefits are treated on divorce.**
 - 15.1 Describe the duties and rights of schemes and members when pensions are subject to a divorce settlement and perform appropriate calculations.
- 16. Understand the use of trusts in pension policies.**
 - 16.1 Describe the role and operation of trusts in pension administration and the relevant powers, rights and responsibilities of each party to a trust.

Reading list

The following list provides details of additional resources which may assist you with your studies.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The resources will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can access most of the additional study materials below via the Knowledge Services webpage at www.cii.co.uk/knowledge.

New materials are added frequently - for information about new releases and lending service, please go to www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

CII study texts

Pensions administration. London: CII. Study text FA2.

Factfiles and other online resources

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via www.cii.co.uk/ciifactfiles (CII/PFS members only).

- The current State Pension scheme. Paul Clarke.
- State Pension age. Paul Clarke.
- Single-tier State Pension. Paul Clarke.
- State Pension credit. Paul Clarke.
- The overseas pensioner. Paul Clarke.

Additional articles and technical bulletins are available under the Life and Pensions section of the website at www.cii.co.uk/knowledge/life-pensions.

Journals and magazines

Retirement strategy. Supplement to Money marketing. London: Centaur Communications. Monthly. Also available at www.moneymarketing.co.uk.

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Available online at www.thepfs.org/financial-solutions-archive (CII/PFS members only).

Pensions age. London: Perspective. Monthly. Also available at www.pensionsage.com.

Pensions week. London: FT Finance. Weekly.

Pensions insight. Newsquest Specialist Media. Monthly. Also available at www.pensions-insight.co.uk.

Professional pensions. London: Incisive Media. Weekly. Also available at www.professionalpensions.com.

Reference materials

International dictionary of banking and finance. John Clark. Hoboken, New Jersey: Routledge, 2005.*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.*

Lamont's financial glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009.

Pensions law handbook. 13th ed. Haywards Heath, West Sussex: Bloomsbury Professional Ltd., 2017.

* Also available as an ebook through Discovery via www.cii.co.uk/discovery (CII/PFS members only).

Examination guide

If you have a current study text enrolment, the current examination guide is included and is accessible via Revisionmate (www.revisionmate.com). Details of how to access Revisionmate are on the first page of your study text.

It is recommended that you only study from the most recent version of the examination guide.

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/iilrevision (CII/PFS members only).