



## Learning Outcome

## Assessment Criteria

## Indicative Content

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1  5 Questions	Understand protection, investment and pensions needs and the factors that affect them.	1.1	Explain how the personal financial lifecycle, individual circumstances and external factors affect financial needs.	1.1.1	Personal financial lifecycle and appropriate and inclusive approaches, including regard for vulnerable and protected characteristics.
				1.1.2	Factors affecting financial circumstances (needs and affordability) and determining how to match solutions with consumer needs and demands: e.g. the impact of employment status, residence/domicile, benefit entitlement, taxation; government policy on any of the previous aspects, inflation and interest rates.
		1.2	Describe the purpose and the main categories of taxation and their relevance to the life and pensions sector.	1.2.1	Purpose of taxation (fund public spending, influence or incentivise behaviour as part of social or economic policy).
				1.2.2	Income Tax (including order of taxation of income types).
				1.2.3	Inheritance Tax.
				1.2.4	Capital Gains Tax.
				1.2.5	National Insurance.
				1.2.6	Other taxes in brief outline (Stamp Duty Land Tax, Stamp Duty Reserve Tax, Corporation Tax) and tax reliefs (personal and business).
2  6 Questions	Understand the process of identifying appropriate financial solutions.	2.1	Describe sources of information, advice and guidance.	2.1.1	Sources of information, advice and guidance: <ul style="list-style-type: none"> <li>• Product information.</li> <li>• Guidance (MoneyHelper).</li> <li>• Advised and non-advised sales (including subcategories: restricted / independent, direct / intermediated).</li> </ul>
				2.1.2	Platform services and administration.
				2.1.3	Marketing.
		2.2	Explain how customer needs and solutions are identified.	2.2.1	Financial planning and advice process overview: <ul style="list-style-type: none"> <li>• Overview of advice process.</li> <li>• Factfinding.</li> <li>• Risk profile.</li> <li>• Suitability report.</li> <li>• Regular review.</li> </ul>

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				<b>2.2.2</b>	Client arrangements: <ul style="list-style-type: none"><li>• Client categories.</li><li>• Terms of business, letter of authority, tax documents.</li><li>• Status of advisers and status disclosure to customers.</li></ul>
				<b>2.2.3</b>	Service-related needs: <ul style="list-style-type: none"><li>• Importance of good customer service for all.</li><li>• Levels of client service – gold, silver, bronze etc.</li><li>• Service standards/agreements.</li><li>• The importance of monitoring and review of consumers’ circumstances.</li></ul>
				<b>2.2.4</b>	Holistic solutions – product combinations and interactions: <ul style="list-style-type: none"><li>• Importance of the consumer (or their adviser) reviewing full array of products in place to re-evaluate, identify shortfalls or duplications and plan effectively.</li></ul>
<b>3</b>  <b>17 Questions</b>	<b>Explain the main features of protection products.</b>	<b>3.1</b>	Explain the main types and features of life assurance.	<b>3.1.1</b>	Life Assurance: <ul style="list-style-type: none"><li>• With profits.</li><li>• Unit.</li><li>• Friendly society.</li><li>• Trusts.</li><li>• Typical documentation.</li></ul>
		<b>3.2</b>	Explain the main types and features of health protection products.	<b>3.2.1</b>	Income protection: <ul style="list-style-type: none"><li>• Policy types.</li><li>• Main definitions.</li><li>• Exclusions conditions.</li><li>• Tax treatment in outline.</li></ul>
				<b>3.2.2</b>	Critical illness: <ul style="list-style-type: none"><li>• Policy types and features.</li><li>• Tax treatment in outline.</li></ul>
				<b>3.2.3</b>	Personal accident - in outline.
				<b>3.2.4</b>	Private medical insurance - in outline.
				<b>3.2.5</b>	Accident sickness and unemployment insurance - in outline.
				<b>3.2.6</b>	Long-term care insurance – in outline.

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4 5 Questions	State the main features of mortgage repayment vehicles and mortgage protection products.	4.1	State the use of protection products and repayment vehicles in the context of mortgages.	4.1.1	The general mortgage context.
				4.1.2	The main types of mortgages – general context only.
				4.1.3	The use of protection products.
				4.1.4	The use of repayment vehicles.
				4.1.5	Mortgage payment protection insurance - in outline.
				4.1.6	Equity release – general context only.
5 22 Questions	Explain the range of savings and investment products available to customers.	5.1	Explain the main features of investing in cash, bonds, property and equities.	5.1.1	Cash: <ul style="list-style-type: none"> <li>• General characteristics.</li> <li>• Bank and building society accounts.</li> <li>• Money market.</li> <li>• National Savings &amp; Investment products.</li> </ul>
				5.1.2	Fixed-interest securities: <ul style="list-style-type: none"> <li>• General characteristics.</li> <li>• Gilts.</li> <li>• Corporate fixed-interest securities.</li> </ul>
				5.1.3	Property: <ul style="list-style-type: none"> <li>• General characteristics of residential and commercial property.</li> <li>• Ways to invest in property.</li> <li>• Equity release.</li> <li>• Real Estate Investment Trusts (REITS).</li> </ul>
				5.1.4	Equities: <ul style="list-style-type: none"> <li>• general characteristics.</li> <li>• types of share.</li> <li>• Common share indices.</li> </ul>
		5.2	Explain the main features of collective investments.	5.2.1	Collectives: <ul style="list-style-type: none"> <li>• general characteristics – including typical fund types.</li> <li>• Unit trusts - key features, structure, tax and charges.</li> <li>• Open-ended investment companies (OEICs) - key features, structure, tax and charges.</li> <li>• Investment trusts – key features.</li> <li>• Typical provider information – key facts, investment statements.</li> <li>• Corporate bonds.</li> </ul>

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<b>6 20 Questions</b>	<b>Explain the main tax wrappers available to customers.</b>	<b>6.1</b>	Explain the main features of defined contribution and defined benefit pension schemes.	<b>6.1.1</b>	Outline of the State Pension.
				<b>6.1.2</b>	Outline of tax privileged regime for annual allowance.
				<b>6.1.3</b>	Defined contribution scheme – main features and typical provider documentation
				<b>6.1.4</b>	Defined benefit scheme – main features and typical provider documentation.
		<b>6.2</b>	Explain the main retirement options available.	<b>6.2.1</b>	Master trusts, including NEST and auto enrolment – main features and typical documentation.
				<b>6.2.2</b>	Main investment choices - including lifestyling.
				<b>6.2.3</b>	Retirement options – self-investment personal pension (SIPP), secured pension, drawdown pension, phased retirement, delayed retirement – main features.
				<b>6.2.4</b>	Access to pension benefits from age 55.
		<b>6.3</b>	Explain the main features of Individual Savings Accounts.	<b>6.3.1</b>	ISA: • Various types of ISA including junior ISA. • Tax advantages of ISAs.
		<b>6.4</b>	Describe other tax planning vehicles available	<b>6.4.1</b>	Investment bonds in outline only: • Key features (e.g. top slicing). • Tax planning advantages.