Defined Contribution Arrangements

EXAMINATION PAPER

April 1st 2019, 9.30am – 12.30am

Fill in these particulars:

Centre Name

Candidate Number

Your full name:

There is element to the question paper.

This contains several short answer questions. Attempt **ALL** questions in the green answer booklet **in pen**.

The total marks for this paper are 100.

THIS EXAMINATION PAPER REMAINS THE PROPERTY OF THE PENSIONS MANAGEMENT INSTITUTE AND MUST BE HANDED TO THE INVIGILATOR AT THE END OF THE EXAMINATION.

Three hours are allowed for this paper. Answer all parts of all questions. In a multi-part question when the marks are not equally divided a guide to the available marks for each part is shown. A small number of marks may be awarded for appropriate and relevant communication and formatting.

The total marks for this examination are 100.

Please make sure that you answer these questions in the green answer booklet in pen.

1. Describe the following types of asset class that are likely to be offered in a DC pension scheme.

    a) Equities   (6 Marks)

    b) Property   (6 Marks)

    c) Bonds   (6 Marks)

    d) Cash   (6 Marks)

    e) Balanced Funds   (6 Marks)

                                                                    (Total 30 Marks)

2. You are a Pensions Adviser for the XYZ Limited DC Occupational Pension Scheme and have been asked to produce a training manual for the Administration Team on 'Leaving Service'. Outline the different categories of early leaver, describe the benefits payable for each category and show how they are calculated.

                                                                          (25 Marks)

3. DC occupational pension schemes require a computer system to enable the scheme to be administered. List:

    a) the minimum data the system must be capable of storing   (12 Marks)

    and

    b) additional items that may be stored.   (13 Marks)

                                                                    (Total 25 Marks)

4. You are a member of the Board of Trustees for the XYZ Limited Defined Contribution Occupational Pension Scheme. A member has asked you to brief him on the recent initiatives announced by the Government to combat pension scams. Draft an email to him in response to his request.(10 marks)

5. Identify the main features of stakeholder pension schemes   (10 marks)

APRIL 2019