



Defined Contribution Arrangements

Monday 7th October 2019 14.00pm – 17.00pm

Centre Name	<input type="text"/>
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This contains several short answer questions. Attempt **ALL** questions in the green answer booklet **in pen** for the paper-based version of this exam or follow the instructions on screen for the online version.

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, by following the instructions on screen for the online version of the exam, or by writing them down in the green answer booklet, in pen, for the paper based version.

OCOTBER 2019

1. You are a Pensions Adviser for ABC Limited whose directors wish to establish a DC occupational pension scheme for their staff. Prepare a report for them which covers the following:
 - a) the role of the employer (10 Marks)
 - b) the role of the provider (15 Marks)

2. You are a Pensions Consultant for the DEF Limited Occupational Pension Scheme whose administration has been brought back in-house.
 - a) Write an email to the Pensions Manager which outlines the objectives of DC scheme administration. (10 Marks)
 - b) Outline the requirements the Trustees of the Scheme need to fulfil in order for the Scheme to be administered effectively. (5 Marks)

3. With regard to self-invested personal pensions (SIPPs)
 - a) Explain why SIPPs would appeal to investors (5 Marks)
 - b) Outline the investment options offered by SIPPs (10 Marks)

NOTE: You are not required to cover contributions and benefits in your answer.

 - c) Outline the tax conditions applicable to an Employer Financed Retirement Benefit Scheme (EFRBS) (10 Marks)

4. a)
 - (i) Identify the core components of the proposed Pensions Dashboard. (3 Marks)
 - (ii) Outline the issues which are key to the success of the Dashboard. (9 Marks)

b) Write brief notes on the creation of a Single Financial Guidance Body (3 Marks)

5. From the standpoint of eligibility outline the factors to be considered by an employer in the design of a DC scheme. (5 marks)

- Explain the term 'salary sacrifice'. (2 Marks)
- Outline the advantages of 'salary sacrifice' (3 Marks)

6. Outline:

the strategic and operational objectives of the Financial Conduct Authority
(5 Marks)

the purpose and statutory objectives of the Prudential Regulatory Authority
(5 Marks)

Total for paper – 100 marks

