



**Pensions
Management
Institute**

Defined Benefit Arrangements

October 2022

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This contains several short answer questions. Attempt **ALL** questions.

The total marks for this paper are 100.

1. Analyse the different approaches to investment risk.

(30 marks)

2. Draft an email to the trustee board explaining the current priority order for allocating resources of an underfunded schemes liabilities on wind up and explain how surplus must be dealt with once all benefits have been secured in full.

(20 marks)

3. Draft a paper that describes and explains the main demographic assumptions considered as part of a valuation.

(30 marks)

4. You are the Pensions Adviser to a large company. Write a letter to a trustee outlining the circumstances in which a scheme is likely to commence winding up.

(20 marks)