



Examiners Report: Defined Contribution Arrangements, October 2022

Question 1 a) Explain the role of the trustees in choosing investments for a DC scheme .(13 marks)

b) Describe the scope of the charge cap on member deductions. The actual amounts deducted are not required. (12 marks)

Both parts were in general poorly answered. The question required some detail from the manual but in most cases, this was sadly lacking.

Question 2 Analyse the Governance of Master Trusts since 2014 with specific reference to legislation and Government regulations. (30 marks)

Very poorly answered. The question asked for Government regulations which generally were not provided. What was needed was The Pensions Regulator's Code of Conduct 15, 13 and the revised code of conduct 13. The Charges and Governance Regulations 2015 and the Pensions Schemes Act 2017 were generally well explained. This answer carried 30 marks so should have been the most detailed and fact-filled answer, which it sadly wasn't.

Question 3 Compare the arrangements used by companies to provide pension benefits for company executives and directors including top-up arrangements . (20 marks)

Generally reasonably answered with many candidates scoring well. The answer should have covered EPPS, SSASs, and Employer Finance Retirement Benefit Schemes. Then elaborate with 6 or 7 points to explain the arrangement .

Question 4

As Pensions Manager you have been asked by the Head of HR to explain the Pensions Advice Allowance (15 marks) and Ill Health Retirement (10 marks).

This question was easily the best answered of the 4. A number of candidates gained very good marks, enabling them to pass overall.