



**Pensions
Management
Institute**

Core unit 1A - Understanding Retirement Provision

Monday 15th April 2024 9.30 AM – 11.30 AM
Time Allowed: 2 Hours

Pass Mark - 65

- 1.** Answer **ALL** the questions.
- 2.** Type all your answers in the answer box provided.
- 3.** It is suggested to allocate your time according to the proportion of marks each question attracts.

Question Number: 1

Outline the common features of public sector schemes which applied before April 2014. **(10 Marks)**

Question Number: 2

Identify who can participate in NEST. **(5 Marks)**

Question Number: 3

The provision of the State pension has increasingly imposed financial strains on governments. Outline the changes since Lord Turner's 2005 Pension Commission report which have sought to make State pension provision more affordable.

Marks**10****Question Number: 4**

State the main terms in the Finance Act 1921 in relation to the tax treatment of occupational pension schemes.

Marks**5****Question Number: 5**

Outline the advantages and disadvantages of buy to let property investment.

Marks**12**

Question Number: 6

List the key features of retirement annuity contracts (also known as section 226 policies) which applied when they were established.

Marks**5****Question Number: 7**

Describe how the pension and final pensionable salary is calculated in a final salary pension scheme and give an example.

Marks**10****Question Number: 8**

List the risk warnings which must be given when a member accesses retirement benefits flexibly.

Marks**5****Question Number: 9**

Describe how benefits are calculated in a cash balance scheme and give an example of the benefit formula.

Marks**10****Question Number: 10**

Describe how the Pensions Regulator might take regulatory action to protect the security of members' benefits.

Marks**18**

Question Number: 11

List the factors which employers must consider in designing a workplace pension scheme.

Marks**10**