**Core Unit 3 – Running a Workplace Pension Scheme**

**Assignment 4**

(Part 5 – Treasury Management)

Recommended Time: *2 hours 30 minutes*

1. Outline the relevance of tax codes in relation to pensions in payment and how a pensioner’s tax code is determined, including a simple worked example.

**(10 marks)**

1. The overpayment and underpayment of benefits from occupational pension schemes usually happens as a result of either a mistake, for example, benefits being incorrectly calculated, or late notification of a death.

Explain the duty of trustees in relation to overpayments and underpayments, outlining the ways in which overpayments can be recovered and the factors a member must demonstrate in order to avoid repaying overpaid benefits back to the scheme.

**(10 marks)**

1. Describe the requirements in relation to the operation of a trustee bank account, and outline why cash management is a key responsibility for trustees.

**(15 marks)**

1. List the information that must be retained on pension scheme records under the Registered Pension Schemes (Provision of Information) Regulations 2006 (as amended).

**(5 marks)**

1. Describe the requirements of the Pensions Act 1995 in relation to the trustees’ report and accounts, and outline the four fundamental accounting concepts and their application in relation to pension scheme accounts.

**(20 marks)**

1. List five types of lump sum death benefit payments which are tax-free if paid before age 75 (although this may be subject to certain conditions), but which taxed as income through pay as you earn if paid on or after age 75.

**(5 marks)**

1. Outline the tasks required in the setting up of a pensioner payroll, the records that must be kept by the trustees or their payroll provider, and the process used for trustees to inform HMRC about PAYE payments.

**(15 marks)**

1. A Statement of Recommended Practice (SORP) sets out the formal guidelines relating to financial statements and disclosures and recommends areas that an attaching trustee report should cover.

List the types of pension arrangements that a SORP covers and the types of arrangement the SORP excludes.

**(10 marks)**

1. Describe the key features of an Event Report.

**(10 marks)**