**Defined Contribution Arrangements**

**Assignment 1**

(Part 1 – Defined Contribution Scheme and System Design)

*Recommended Time: 3 hours*

1. You act as Secretary to the Trustees of a trust-based DC scheme. A newly elected Member Nominated Trustee (MNT) has contacted you and is keen to learn the various areas of legislation that have impacted the design of DC schemes. Draft a memo responding to the MNT’s query.

**30 marks**

1. Describe the key features of the Single Tier State Pension and the changes to the State Pension Age introduced by the Pensions Act 2014.
   1. **marks**

1. Summarise the main features of Automatic Enrolment.

**10 marks**

1. Explain some of the potential drawbacks and benefits of individuals having real-time access to their member records.
   1. **marks**

1. You are the Pensions Manager of XYZ Ltd who runs a bundled DC scheme. You have been contacted by a member of the XYZ Ltd Pension Scheme who has asked you to explain the difference between a bundled arrangement and an unbundled arrangement. Write a letter responding to the member’s query.

**20 marks**

1. The chair of trustees for the XYZ scheme has emailed you to ask for information on Straight Through Processing (STP). Set out a response explaining the process and how the adoption of STP could improve the administration process.

**10 marks**