

Defined Benefit Arrangements

Wednesday 9th October 2024

9.30 PM – 12:30 PM

Time Allowed:

3 Hours

Pass Mark - 55

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

Trustees will need to obtain expert advice on matters such as funding, investment management and covenant assessment. The trustee of the DB scheme, you are the Pensions Manager for, has emailed you asking for advice. Please draft an email in response identifying –

- a. the advisers that need to be appointed (9 marks)

- b. the guidance provided by the regulator on trustee relationships with advisers and service providers (15 marks)

MarksFormat Marks 1
Total Marks 24**Question Number: 2**

Set out the provisions of the Finance Act 2022 and the Finance Act 2023 (8 marks)

Describe Salary Sacrifice (8 marks)

Marks**Total Marks 16****Question Number: 3**

In your role as a benefit consultant, the Secretary to the Trustees requests that you draft paper to address gaps identified in the knowledge and understanding of the board of trustees in relation to funding and investment. Your report should cover / set out:

- The contents of a Scheme Funding Report (SFR) (26 marks)
- The Statement of Funding Principles (SFP) (5 marks)
- Schedule of Contributions (SoC) (6 marks)
- The issues trustees should take into account when considering the structure of a recovery plan where the SFO is not met. (3 marks)

MarksFormat Marks 2
Total Marks 40

Question Number: 4

The Trustees have been notified that the principal employer has become insolvent which will trigger the winding up of the scheme. In your role as a benefit consultant, you have been asked to draft a paper on the mechanisms that can be put in place to prevent any valid claims being made against the trustees, once the scheme is terminated and no assets are available.

Marks

Format Marks 2

Total Marks 20