

Reward and Retirement Provision

Thursday 10th 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

The Company wishes to enhance the financial wellbeing of its employees by implementing long term disability provision through an Income Protection policy.

As benefit consultant, draft a report for the HR Director that discusses how an Income Protection policy could achieve the Company's objective. Your report should include:

- a brief overview of income protection arrangements
- the maximum earnings basis on which the benefit can be paid
- the circumstances in which the benefit may cease
- typical design features of an income protection policy
- income protection policy costing considerations for the employer

You do not need to consider a waiting period, exclusions or taxation.

(35 Marks)

Marks	Format Marks	3
	Total Marks	35

Question Number: 2

Flexible benefit schemes enable employees to vary their benefits to suit their personal requirements. However, as well as the advantages of these schemes, there may also be disadvantages for the employer to consider.

Write an article for an industry magazine that sets out the concept of flexible benefit schemes and the perceived disadvantages associated with them.

Marks	Format Marks	2
	Total Marks	20

Question Number: 3

Many larger employers may offer career breaks to employees.

Prepare a summary identifying the reasons for introducing career breaks, the various conditions which may apply and the terms which may be offered to employees on their return to work.

Marks	Format Marks	1
	Total Marks	15

Question Number: 4

Your Finance Director wishes to understand the concept of salary sacrifice and how it could be adopted across the business.

In your role as HR Manager write an email to the Finance Director setting out the key points of salary sacrifice arrangements.

Marks

Format Marks 1

Total Marks 15**Question Number: 5**

You are the Pensions Manager for a large well established Company Pension Scheme.

Historically, Christmas bonus payments have been paid to pensioners, but these have not been paid in recent years. The HR director has mentioned that the Board is considering reintroducing these payments.

Analyse the history of these payments, and the considerations that the Board need to be aware of.

Marks**Total Marks 15**