



Reward and Retirement Provision

Friday 11th April 2025 9.30 AM – 12:30 PM
Time Allowed: 3 hours
Overall Marks - 100
Passing Percentage – 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

You are the newly appointed HR Manager of a large manufacturing company with a diverse workforce. A large proportion of the workforce which is made up of men and women are either paid the National Minimum Wage (NMW) or the National Living Wage (NLW).

You wish to ensure the Company complies with relevant aspects of employment law and have therefore asked your benefit consultants to prepare a report which covers the following:

- The definition of a 'worker' under employment law
- The types of workers entitled to receive pay at least to the level of NMW
- The introduction by the Government of the NLW
- The current levels of NMW and NLW at April 2024
- The included and excluded elements of NMW and NLW

20 marks

- The evolution of Equal Pay Legislation

12 marks

(There are also 3 formatting marks available)

(Total 35 marks)

Marks	Total Marks	35
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Question Number: 2

When considering employee benefit strategy there are numerous guiding principles for the employer to take into account. One principle is to consider employee demographic and segments.

Write a briefing paper identifying the demographics that should be included and how different employees may value different elements of reward. You are not required to include any examples of pay and benefit structures.

(20 marks)

(Including 2 formatting marks)

Marks	Total Marks 20
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Question Number: 3

In the unfortunate event that a member of an defined benefit pension scheme is forced to leave employment and retire early on the grounds of ill health, it is usual in these circumstances for employers and scheme trustees to enable payment of ill health pension benefits.

Write a summary identifying:

- the factors that must be taken into account in accessing the member's incapacity
- benefit options available
- processes to be followed in assessing any tax liability due on the benefits

(15 marks)

(Including 1 formatting mark)

Marks

Total Marks 15

Question Number: 4

You are the Benefits Manager for a medium sized company wishing to establish a private medical insurance scheme for your employees. Write an email to the Finance Director that contrasts the differences between Fully Insured and Cost Plus bases of funding the proposed scheme.

(15 marks)

(Including 1 formatting mark)

Marks

Total Marks 15

Question Number: 5

Your company is evaluating whether to establish a Share Incentive Plan.

Set out the four share mechanisms that could be utilised under such a plan together with the associated employee participation and tax considerations.

(15 marks)

Marks

Total Marks 15