

CPC Draft Letter Analysis – What Constitutes an Error?

Purpose of the Assessment

The Draft Letter analysis is designed to assess a learner's ability to check and accurately transcribe key data values related to an associated Case Study, and to identify inaccuracies / inappropriate information and key omissions in the communication of benefits in relation to that Case Study.

The Draft Letter analysis should enable learners to demonstrate their understanding of what needs to be communicated, considering all benefits calculated, the scheme rules and any legislative considerations.

The assessment is **not intended to assess English language, spelling, grammar or punctuation skills**.

Errors That Should Be Identified

An error may include, but is not limited to:

1. Incorrect Benefit Values

Examples:

- Incorrect pension amounts
- Incorrect tax-free cash sum
- Incorrect transfer value
- Incorrect death benefits
- Incorrect spouse's pension amounts
- Incorrect AVC value

Clarification on Benefit Values (Transcription from Case Study): Learners must accurately calculate relevant benefit values in **Section A** and transcribe them carefully into the Draft Letter in **Section B**. Any benefit values required for transcription will be denoted by a capital letter in brackets in the Draft Letter. These values will have been (or should have been) calculated/considered in the Case Study.

- If a value was calculated incorrectly in the Case Study, it will already have been penalised there. In the Draft Letter, learners are tested on accurate transcription, even if the Case Study figure is wrong, **that is the value that should be transcribed** (no re-calculation or correction in the letter). Learners will **not** be penalised for transcribing a wrong figure if it matches their Case Study answer.
- Generally, calculated benefit values will **not** appear in the Draft Letter (to avoid giving learners an unfair steer). Exceptions may include specific monetary amounts (e.g., an augmentation for OPQ) that may deliberately be incorrect in the draft letter for learners to identify and correct.

2. Incorrect Application of Scheme Rules

Examples:

- Incorrect revaluation rates
- Incorrect indexation rates
- Incorrect commencement date for pension
- Incorrect frequency for payment of pension
- Incorrect increase date for pension
- Quotation of benefits that are not payable under the scheme rules
- Incorrect application of a scheme-specific provision
- Incorrect treatment of a special circumstance

3. Incorrect Factual Information

Examples:

- Incorrect member details
- Incorrect beneficiary details
- Incorrect calculation dates

4. Incorrect Legislative or Regulatory Information

Examples:

- Incorrect tax treatment of refunds
- Incorrect statement regarding payment of UFPLS
- Incorrect check against the Lump Sum Allowance and / or Lump Sum & Death Benefits Allowance
- Incorrect information regarding statutory revaluation of GMPs
- Incorrect information regarding statutory pension increases to GMPs

5. Missing Required Information

Examples:

- Omission of information relevant to the calculation of benefits
- Omission of components comprising the calculated benefits
- Omission of information relating to the revaluation of benefits
- Omission of information relating to the payment of benefits
- Omission of documentary evidence required to be provided
- Omission of explanation of member options

- Omission of information relating to a special circumstance

6. Inappropriate or Misleading Pension Information

Examples:

- Statements that could mislead a member regarding their entitlement
- Statements that conflict with the Case Study information
- Statements that conflict with the scheme rules □ Incorrect member details
- Incorrect beneficiary details
- Incorrect tax treatment of refunds
- Incorrect statement regarding payment of UFPLS
- **Incorrect check against the Lump Sum Allowance and / or Lump Sum & Death Benefits Allowance** The tax-free cash sum for RETS must always be tested against both the LSA and the LS&DBA (Draft Letters should include the values for each of these 3 components). The total LSDB for DTHS must always be tested against the LS&DBA (Draft Letters should include the values for each of these 2 components). Learners are expected to know when / what to test against the LSA and/or LS&DBA.
- Incorrect information regarding statutory revaluation of GMPs
- Incorrect information regarding statutory pension increases to GMPs
- Omission of information relevant to the calculation of benefits

Matters That Are Not Considered Errors

The following would not normally be regarded as errors unless they change the meaning of the communication:

Spelling

Examples:

- Minor spelling mistakes
- Typographical errors

Grammar

Examples:

- Incorrect grammar
- Sentence structure issues
- Use of passive rather than active language

Punctuation

Examples:

- Missing commas
- Incorrect apostrophes
- Formatting inconsistencies

House Style

Examples:

- Different wording from model answers
- Alternative sentence construction
- Different order of presenting information

Professional Judgement in Wording

Provided the meaning remains accurate, Learners are not expected to identify differences in drafting style or preference.

Key Principle

When analysing a Draft Letter, learners should focus on whether the letter accurately communicates the member's pension benefits, options, entitlements and requirements in accordance with:

- The case study facts;
- The relevant scheme rules;
- Applicable legislation; and

- Information that would reasonably be expected to be communicated to the recipient.

Errors should be identified where they affect the **accuracy, completeness or appropriateness of the pension communication**, not where they relate solely to writing style, grammar, spelling or punctuation.