

ApEx14

Overseeing on a day-to-day basis
administrative functions for the operation
of a stakeholder pension scheme

Summary of Learning Outcomes

Learning Outcomes are also numbered according to the level of attainment required (K1, U1, U2, An1, etc.)

SUMMARY OF LEARNING OUTCOMES

APEx14 OVERSEEING ON A DAY-TO-DAY BASIS ADMINISTRATIVE FUNCTIONS IN RELATION TO THE OPERATION OF A STAKEHOLDER PENSION SCHEME		
Candidates will be expected to:		
K	Demonstrate a knowledge of:	
K1	basic principles of pension taxation	Knowledge
K2	Inland Revenue approval	Knowledge
K3	basic pension product types / features	Knowledge
K4	group pensions	Knowledge
K5	payment methods and non-payment issues	Knowledge
K6	pension policy issue	Knowledge
K7	group pensions	Knowledge
K8	Financial Services Authority rules	Knowledge
K9	disclosure requirements	Knowledge
K10	complaint referral	Knowledge
U	Demonstrate an understanding of:	
U1.	pension claims and options available when taking benefits	Comprehension
U2.	pensions and divorce	Comprehension
U3.	unit linking	Comprehension
U4.	with profits	Comprehension
U5.	trusts	Comprehension
U6.	policy administration	Comprehension

Indicative Content
for each Learning Outcome

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Attainment Level	Outcome	Indicative Content
K Demonstrate knowledge of	K1 Basic principles of pension taxation	K1.1 Contributions K1.2 Pension fund K1.3 Benefits at crystallisation and on death K1.4 Tax treatment of payments K1.5 Tax treatment of returnees' contributions (226 contracts) K1.6 Difference between authorised and unauthorised payments and the tax implications of each type
	K2 Inland Revenue approval	K2.1 Mandatory and discretionary approval for schemes: process for obtaining and retaining it K2.2 Post April 6 2006 requirements for registered schemes
	K3 Knowledge of basic pension product types / features	K3.1 Post 'A' day products K3.2 Carry over of pre 'A' day entitlement to tax free cash: Section 32 buy out plans and applicable occupational schemes K3.3 Contribution limits according to age or income K3.4 Options at retirement K3.5 Stakeholder contracts: key features and standards required to achieve stakeholder status K3.6 Interaction of state and private schemes: ways in which schemes and individuals can contract out of State Second Pension; implications of doing so on both state benefits and the scheme used for contracting out
	K4 Group pensions	K4.1 Key features of a group pension scheme (GPP and occupational scheme) K4.2 Distinction between employer trust schemes and institution-offered manager schemes K4.3 Individual vs group: key difference and implications K4.4 Role and responsibilities of trustees K4.5 Employer contributions and limits of these K4.6 Employer/e regular or single premiums K4.7 Payment deadline date for employer contributions K4.8 Registration of schemes K4.9 Refunding contributions

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K Demonstrate knowledge of	K5 Payment methods and non payment issues	K5.1 Who has responsibility to collect payments with each type of pension contract K5.2 How payments are collected K5.3 Direct debits vs standing orders, DD guarantees, payment by cheque, cash, anti-money laundering issues, debit cards K5.4 Issues with different types of payment method K5.5 Transfers K5.6 Regular payments K5.7 Lump sum K5.8 Timing of payments K5.9 Consequences of non-payment
	K6 Pension policy issue	K6.1 Key stages from application to pension issue and documentation to which customers are entitled K6.2 Information contained within illustrations and key features documents K6.3 Legal capacity to take out a pension: minimum ages for each pension type; jurisdiction; capacity to contract K6.4 Compliance procedures required when arranging a pension plan K6.5 Annual statements
	K7 Principles of medical underwriting	K7.1 Impaired life annuities K7.2 Life assurance under registered pension schemes, group life insurance schemes and contribution protection
	K8 Financial Services Authority rules	K8.1 Illustrations K8.2 Cancellation notices and withdrawals K8.3 Timely execution K8.4 Dispute resolution
	K9 Disclosure requirements	K9.1 Requirements under current pensions legislation
	K10 Complaint referral	K10.1 Role of trustees, TPAS, Pensions Ombudsman: what each scheme can consider and how they interrelate with one another and the Financial Ombudsman Service

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U Demonstrate understanding of:	U1 Pension claims and options available when taking benefits	U1.1 Types of benefit payable, including widow's pension and guarantees U1.2 Regular withdrawals U1.3 Paid-up /surrender U1.4 Death claims: what is payable, to whom and documentation required U1.5 Pension fund withdrawal rules pre and post A-Day U1.6 Tax free cash sum: availability U1.7 Annuity: how it works, options available, open market option, factors influencing income received U1.8 Protected rights U1.9 Guaranteed minimum pensions U1.10 Transitional arrangements post 'A' day: preservation of tax free entitlement, enhanced protection and primary protection U1.11 Proof of age/retirement U1.12 How to deal with fund switches U1.13 Waiver of contribution benefit claims U1.14 Transfer claims: legal requirements, what can be transferred where; risk of 'trust busting' and steps to avoid it
	U2 Pensions and divorce	U2.1 Duties and rights of schemes and members in relation to how pension benefits can be treated on divorce
	U3 Unit linking	U3.1 Principles: how it works U3.2 Different pricing bases U3.3 Allocation rates U3.4 Charges U3.5 Capital units/accumulation units U3.6 Effect of charges on investment returns
	U4 With profits	U4.1 How it works: principles of smoothing U4.2 Market valuation reductions U4.3 Operating structure U4.4 Valuation of unitised with profits and how this differs from traditional/standard with profits U4.5 How this differs from unit-linked
	U5 Trusts	U5.1 The role of trusts in pensions administration U5.2 Types of pension / benefits which can be placed under trust U5.3 How to deal with trusts U5.4 Responsibilities of the different parties to a trust U5.5 Amendments to trusts U5.6 Powers of trustees

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U Demonstrate understanding of:	U6 Policy administration	U6.1 Alterations, including projections U6.2 Typical variations U6.3 Late payments and consequences of non-payment U6.4 Waiver of contribution U6.5 Paid up pensions U6.6 Fund switching U6.7 Pension loans U6.8 Additional / fluctuating payments U6.9 Proof of earnings U6.10 Transfer in/out (from one scheme to another) U6.11 Death