



**Pensions
Management
Institute**

Taxation, Retail Investment and Pensions

October 2021

Centre Name	<input type="text"/>
--------------------	----------------------

This contains several short answer questions. Attempt **ALL** questions.

The total marks for this paper are 100.

Question Number: 1

In your capacity as an independent financial adviser, you have been asked to advise a long-standing client of any potential inheritance tax (IHT) issues that may arise in respect of his SIPP when he dies. Draft an email to the client outlining how lump sum death benefits are treated for IHT purposes.

15 marks

Question Number: 2

Helen lives in Tottenham, North London and her income for the tax year 2020/21 was as follows:

UK pensions - £32,462

UK interest - £534

UK dividends - £12,642

During the year Helen made Gift Aid payments totalling £520

Calculate Helen's income tax liability

10 marks

Question Number: 3

Describe the conditions under which HMRC can reject an application to register a pension scheme?

5 marks

Question Number: 4

Describe the key features of Open Ended Investment Companies (OEIC's) including how they are valued.

7 marks

Question Number: 5

In your role as a pensions consultant to WHL Enterprises Ltd, write a briefing paper for their new finance director outlining and describing:

- a. The different Benefit Crystallisation Events (BCEs) that will trigger a test of a member's benefits against the Lifetime Allowance. (15 marks)
- b. The criteria laid down by HMRC for valuing pension rights upon crystallisation. (5 marks)

20 marks

Question Number: 6

- a. Detail the key criteria in determining whether the new State Pension will be paid at the full rate or a part rate.
- b. Outline the impact of deferring payment of the new State Pension.

7 marks

Question Number: 7

Outline Statutory Paternity Leave and Statutory Paternity Pay.

8 marks

Question Number: 8

Explain what factors an individual should consider, when choosing a lifetime annuity, which could impact the level of income the lifetime annuity provides.

8 marks

Question Number: 9

Explain what a Fund Supermarket is and how it operates, including the following:

- the typical services undertaken by a Fund Supermarket.
- how charges are usually applied by the Fund Supermarket.
- impact of the Retail Distribution Review on charges.

20 marks