

Examiners Report: Core Unit 1B - Foundation in International Employee Benefits, April 2022

It is the view of the Examiners that several candidates found this to be a challenging paper. Candidates struggled with providing the relevant technical information for questions:

- 3 – relevant information contained Study Manual 1,
- 4 – relevant information contained in Study Manual 2, and
- 5 – relevant information contained in Study Manual 2.

In addition to commentary on the April 2022 questions below, general guidance for candidates who did not achieve high marks is provided at the end of this report. The Examiners would like to highlight to candidates the importance of exam technique and understanding exactly which parts of the Study Manuals will be examined and should therefore be learned accordingly.

Question 1

Describe the series of amendments and new treaties that followed the Treaty of Rome
(10 marks)

- This question was well answered with most candidates achieving high marks.
- Candidates who were able to quote both the date of signing and the date of enacting the treaties achieved higher marks.

The relevant section of the study manual: Study Manual 1: Section: Part 12 (The European Union), Chapter 1.1 (Page 188)

Question 2

State the 'other management implications' of employee benefit provision the benefit manager needs to address
(5 marks)

- Whilst some candidates had understood the question and provided the necessary information from the relevant section of the Study Manual, it was disappointing that most candidates were unable to attain most of the marks that were available.
- The main reason for this is because candidates were able to identify some of the implications – for example, the compliance, governance and communication requirements, but most of the answers provided were
 - generic, and
 - lacked the specific detailsthat were required to achieve maximum marks.



The relevant section of the study manual: Study Manual 1: Section: Part 1 (Overview of International Employee Benefits), Chapter 1.3 (Page 4)

Question 3

Write down the reasons why a pool of assets backing the benefit promises built-up is becoming more widespread when funding retirement benefits vendors.

(10 marks)

- This question was poorly answered by most candidates.
- The Examiners were concerned to note a significant proportion of candidates obtained no marks for the answers they provided.
- Candidates who scored low or no marks provided answers that were more general about the pooling of assets, rather than setting out the reasons that a pool of assets might be used when funding retirement benefits.

The relevant section of the study manual - Study Manual 1: Section: Part 4 (An overview of key employee benefits), Chapter 1.4 (Page 32)

Question 4

As the International Benefits Manager for your company, you have been asked by the HR Director to draft a paper on Medical & Other benefits in Switzerland.

(10 marks)

- The quality of answers to this question were mixed. Whilst candidates that had understood the relevant section of the manual scored well, this question was still poorly answered by most candidates.
- Candidates were able to identify that Switzerland has a compulsory system of medical insurance and that all residents are required to have private medical insurance with minimum medical coverage ('Standard Cover').
- Most candidates were also able to identify that flex benefits are not popular in Switzerland.
- Higher marks were awarded to candidates who were able to provide more relevant detail in their answers, for example, the tax treatment of Share Plans.

The relevant section of the study manual - Study Manual 2: Section: Part 1 (Country and Regional Profiles), Chapter 7.3 (Page 60)

Question 5

Prepare a note on Pillar III voluntary individually-focused pension arrangements in Japan
(10 marks)

- This question was generally poorly answered by most candidates.
- Most Candidates were able to state that there are very few third pillar voluntary individually-focused pension arrangements in Japan.
- However, the Examiners were expecting candidates to include details on Risk Benefits that is detailed in this section of the Study Manual.

The relevant section of the study manual - Study Manual 2: Section: Part 1 (Country and Regional Profiles), Chapter 9.2.3 (Page 73)

Question 6

List the types of risk an organisations risk function must manage (5 marks)

- This was a relatively straightforward question requiring a simple list of the types of risks.
- Candidates who had studied this section were able to score highly.
- Most candidates were able to recall 'reputational risk' and 'investment risk'. However, the most frequently overlooked risk types that were often excluded from answers included were 'operational risk, 'talent risk' and 'benefit payment risk'.

The relevant section of the study manual - Study Manual 2: Section: Part 7 (The role of different parties involved in the provision of International Employee Benefits), Chapter 6.2.2 (Pages 107 - 108)

Generally, candidates are reminded to:

- Ensure an understanding of the structure of the course and CU1B syllabus, noting exactly which parts of the Study Manuals 1 & 2 will be examined under CU1B and should therefore be learned accordingly.
- Read questions carefully to determine which area of the study manual is being examined.
- Take note of instructive words given in the question – for example "list" indicates that a list of key items is required, rather than a block of descriptive text.
- Note that the number of marks available can be used to indicate the level of detail required in an answer.



**Pensions
Management
Institute**

Moving pensions forward

- Remember to include any dates, limits and figures detailed in the relevant section of the study manual to add sufficient detail to your answer. This will help you achieve full marks.
- Take advantage of any bonus marks available.
- Avoid spending too much time providing information which has not been asked for, or which is not described in similar detail in the Study Manual.

An important part of the CU1B syllabus is to test candidates' knowledge of benefits in different countries, and much country specific information is given in the manuals. Where a particular country or jurisdiction is specified within a question, higher marks will usually be achieved by providing information from the section that is specific to that country rather than generic information.