Taxation, Retail investment and Pensions (TRIP)

October 2022

PMI Number	

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

The total marks for this paper are 100.

1. When a member is approaching their Normal Retirement (NRD) the administrator write to the member to let them know what options are available from the scheme.

   Describe these options.

   (10 marks)

2. Providing a member, or their dependant, who leaves pensionable service before their Normal Retirement Date with the correct benefits and making sure that all the legislative requirements are compiled with is a fundamental requirement for a pension scheme.

   (a) What are the factors that determine what benefits become payable and under what circumstances? (6 marks)
   (b) What determines 'Qualifying Service'? (2 marks)
   (c) What are the member's options on leaving? (12 marks)

   (20 marks)

3. Being able to save for retirement, either through a pension scheme or equivalent vehicle, is an important part of an employee's benefits package, which has the potential to be highly valued by an individual. It is therefore important to ensure effective member communication as an aid to ensuring an employee's engagement. Recognition of this communication aspect is important for advisers with workplace benefits.

   (a) What is effective Communication? (5 marks)
   (b) Describe the different forms of communication? (10 marks)
   (c) Who can provide Financial Advice and what type of advice can they give? (10 marks)

          (5 formatting marks are available)

   (30 marks)

4. What is the tax treatment of Employer Funded Retirement Benefit Schemes (EFRBS)?

   Write a report to your Supervisor, James Joyce, who has asked you to include the following:

   a) Describe the background (pre and post 2006) (12 marks)
   b) Explain the disguised remuneration provisions (10 marks)
   c) Describe the main features of the taxation of EFRBS (12 marks)

          (6 formatting marks are available)

   (40 marks)