



**Pensions  
Management  
Institute**

Moving pensions forward

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## **CERTIFICATE IN PENSION CALCULATIONS GUIDE FOR LEARNERS**

Certificate in Pension Calculations is a qualification designed to demonstrate learners' competence in the manual calculation of benefits of DB and DC pension schemes. It is based on standards of occupational competence which have been defined by the industry.

It is awarded by The Pensions Management Institute (PMI), which is the professional body for those working in all sectors of the pensions industry.

It is for administrators of occupational pension schemes in all sectors of the pensions industry whether they work on DB and/or DC pension schemes.

### **1. What is CPC?**

The qualification standards, on which it is based, were developed by the pensions industry and the full details of the CPC units are downloadable from the PMI website at [www.pensions-pmi.org.uk](http://www.pensions-pmi.org.uk). They identify all the main calculations that a competent pensions administrator should be able to perform.

CPC is made up of 7 units which are assessed through case study examinations. As a CPC learner you will be required to calculate benefits for fictitious members of defined benefit and defined contribution schemes. You will also be asked to draft letters to members or clients explaining the benefits available. Case study examinations are held twice a year usually in your own offices and supervised by in-house invigilators.

### **The CPC units**

- Calculate and Quote Pension Scheme Leavers Benefits for Members without Special Circumstances
- Calculate and Quote Pension Scheme Leavers Benefits for Members with Special Circumstances
- Calculate and Quote Pension Scheme Transfers In and Transfers Out
- Calculate and Quote Pension Scheme Retirement Benefits for Members without Special Circumstances
- Calculate and Quote Pension Scheme Retirement Benefits for Members with Special Circumstances
- Calculate and Quote Pension Scheme Death Benefits for Members without Special Circumstances
- Calculate and Quote Pension Scheme Death Benefits for Members with Special Circumstances

The above units that make up CPC are also directly transferable to (or from) some other PMI qualifications. Transferring between these qualifications can take place at any time and in either direction. Contact the Qualifications Department for more details on 020 7247 1452 or e-mail [VJackson@pensions-pmi.org.uk](mailto:VJackson@pensions-pmi.org.uk) or [KBokoka@pensions-pmi.org.uk](mailto:KBokoka@pensions-pmi.org.uk)

The flexibility of movement between these qualifications is extremely beneficial and supports your development as your career progresses.

## 2. The case study examinations

*What do these examinations involve?*

The examinations consist of case studies (**Section A – Calculations**) and one or more letters associated with these case studies (**Section B – Letters**). The examinations are designed to test the competence of learners in the calculation and communication of pension benefits. The examinations are based on 3 fictitious pension schemes:

Scheme	Type	Contracted-Out Status
OPQ	Money Purchase	Not Contracted-Out
RST	Career Average Revalued Earnings (CARE)	Not Contracted-Out
XYZ	Final Salary	Contracted-Out (Category A) Not Contracted-Out (Category B)

These examinations are the way for you to provide evidence that you can

- understand and interpret the rules of schemes other than those which you usually administer
- carry out manual calculations for a range of member events, this range is detailed in the Units
- understand the impact of supplementary and discretionary entitlements on the basic benefits payable
- recognise the restrictions that apply to the level of benefits payable imposed by legislation and the HM Revenue & Customs
- communicate the benefit options fully and accurately, requesting all the information required before the scheme can pay the benefits.

The examinations are held twice a year, in March and September at set times and under strict exam conditions. The exams can be taken in any order and any number of times with the results showing as a PASS or a FAIL.

All units can be viewed on the PMI website [www.pensions-pmi.org.uk](http://www.pensions-pmi.org.uk)

## 3. What are the advantages of having CPC?

CPC is part of a suite of a nationally recognised qualifications that PMI offers. When you complete CPC you will receive a final certificate, which is signed by the PMI Chief Executive Officer.

#### **4. How can CPC be taken?**

The 7 units that make up CPC are assessed through case study examinations which are run twice yearly in March and September. The CPC exam is open to anyone and the examinations are all online.

All details, forms and fees are available on the website [www.pensions-pmi.org.uk](http://www.pensions-pmi.org.uk)

#### **5. Support for the Learner?**

##### ***Learner***

This is you and you are responsible for:

- working with your centre contact to identify your next step through the qualification
- identifying any specific training needs you may have
- preparing for the case study examinations by making sure that you understand the scheme booklets
- selecting an appropriate report title from the selection available at the time of entry and producing a report following the specific guidelines given

##### ***Your learner number***

When you register as a learner you are given a unique learner number. You will keep this number until you complete CPC even if you move to a different centre or a new employer. You will need to quote this number on your examination script when you take the units assessed by case study examination.

You must quote this number if you ever need to contact the Pensions Management Institute.

#### **6. Preparing for the case study examinations**

- Start your preparation early and make sure that you have a thorough understanding of the scheme booklets. Remember that each scheme is different and that the rules will not be the same as the schemes you usually administer even if they are a similar type.
- Check the unit criteria for which you are entered to see what scope is covered. This way you will be able to identify all possible case studies that the examiners could set. Make sure that you can deal with anything in that scope especially if it is the type of calculation that you seldom see in the course of your normal work.
- Ensure that you are familiar with all legislation that affects the type of benefits in the unit you are taking.
- Read copies of past Examiners' Reports – we send the most recent one with the non-confidential material email. These will identify many common problems and help you to avoid them.
- Practice calculations from past papers and check the answers against those given in the appendix to the Examiners' Report. Spend more time practicing calculations with which you are less familiar.
- Seek help from your assessor where you are unclear about how to do particular types of calculation or how legislation might affect the benefits payable.
- You may wish to purchase the relevant access key for on-line learning.

### ***Before the examination***

Approximately 6 weeks before the examination takes you will be given (via the learning website), access to all Scheme Booklets and Tables.

You must print off a set of scheme booklets.

### ***During the examination***

You **must** take into the examination room the three scheme booklets (OPQ, RST and XYZ) and the Tables of Factors booklet. You can annotate these or highlight the sections that are relevant to the examination you are taking.

You **may** take into the examination room any other material that you think you will find useful for reference purposes (e.g. HMRC Technical Pages, DWP information, copies of standard documentation used in your organisation).

**Please note** that any standard documentation or calculation / letter templates can only be used for reference purposes and must not be attached as part of your script.

You **may** take a non-programmable calculator into the examination room but you **must not** have access to any other electronic device such as a mobile phone, ipad, iphone or similar.

- Read the case studies carefully. This will help you to avoid making careless mistakes, such as calculating a spouse's pension for an unmarried member who has died.
- Check your figures carefully, make sure that all information is correctly transcribed.
- For the letters make sure you have included all the required information, you can take a checklist into the examination with you.

### ***The marking scheme***

In order to pass the examinations (and thereby demonstrate competence) each of the following must be met:

- All case studies have been attempted (**Section A**)
- All requested letters have been attempted (**Section B**)
- There are no more than three errors against a specific performance category across all of the case studies (**Section A**)
- There are no more than three errors against a specific performance category across all of the requested letters (**Section B**)
- There are no more than three errors (regardless of performance category) for any of the case studies (**Section A**)
- There are no more than three errors (regardless of performance category) for any of the requested letters (**Section B**)
- There are no more than six errors (regardless of performance category) across all of the case studies and all of the requested letters (**Section A** and **Section B** combined)

### ***Examination results***

These are issued on a date specified in the Notice to Learners. At the same time we issue all results of unit credit to successful learners.

### ***Appeals procedure***

In the unlikely event that you have reason to think that your script has been unfairly assessed, there is an appeals procedure. You should contact the PMI for details.

### **7. Final certificate**

When you have completed all the units your centre contact will apply for a final certificate on your behalf. The certificate is signed by the PMI Chief Executive Officer.

### **8. PMI Contact Details**

<b>Qualifications</b> Telephone: 020 7247 1452 E-mail: <a href="mailto:VJackson@pensions-pmi.org.uk">VJackson@pensions-pmi.org.uk</a> or <a href="mailto:KBokoka@pensions-pmi.org.uk">KBokoka@pensions-pmi.org.uk</a>
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