

## Unit 4

# Calculate and Quote Pension Scheme Transfer In and Transfer Out Benefits for Members

The aim of this unit is to:

Understand 'Transfer Out and Transfer In **Benefit** 'options within normal circumstances and in accordance with all relevant guidance and legislation. The learner will then be able to apply this knowledge in the production of a 'transfer in benefits' quote and a 'transfer out benefits' quote to the scheme member.

Unit Level	3	Unit Reference	D/618/6398	Credits	3
TQT	39	Unit Grading Structure	Pass / Fail		
Assessment Guidance	3.5 Hour practical exam online				
Learning Outcomes – the learner will		Assessment Criteria – the learner can			
1. Be able to explain the scheme rules for each of the schemes used in the case study examinations covering the payment of transfer benefits	1.1	Use the correct personal details from the member's record.			
	1.2	Show the full range of requested options which are allowed based on the member's record and the scheme rules.			
	1.3	Apply scheme definitions accurately.			
	1.4	Apply all relevant legislation correctly in relation to transfer benefits.			
2. Demonstrate how to apply actuarial / revaluation factors	2.1	Set out calculations for each transfer option according to accepted procedures.			
3. Show the benefit options in an approved format and in accordance with accepted procedure	3.1	Carry out calculations manually for each transfer option without arithmetical errors.			
5. Explain what information and documentation is required before the scheme can settle the benefits	4.1	Write a letter to the beneficiary, sponsor or trustee and quote benefits which match your calculations.			
	4.2	Show the benefit options in an approved format and in accordance with accepted procedure.			
	4.3	Provide complete and accurate information to accompany the quotation and requested payment details.			
	4.4	Give instructions to the addressee on the response you require.			

## Guidance:

### On successful completion of this unit, learners will know and understand:

The scheme rules for each of the schemes used in the case study examinations relating to:

- a) the calculation of the monetary value for a transfer out and
  - b) the calculation of the benefits provided by a transfer in
- How to apply actuarial factors
  - How to apply revaluation factors
  - The effects of overriding legislation on the benefits and options available in exchange for a transfer value
  - The Disclosure requirements
  - The distinction between giving financial information and financial advice (in accordance with the latest Financial Services and Market Act)
  - What information and documentation is required before the ceding scheme / receiving scheme can settle the benefits
  - The requirements of legislation on time scales and, where appropriate, the guarantee period for quotations

In meeting the performance criteria, learners must demonstrate that they can:

- Identify and apply scheme rules and definitions for all of the following:
- Final salary (including contracted out and non-contracted out categories of benefit)
- Career average revalued earnings (CARE)
- Money purchase

### Set out and provide fully worked manual calculations for all of the following:

- The transfer value of benefits accrued while a member of an occupational pension scheme
- The additional benefits secured in a member's current scheme by the transfer value from a previous pension arrangement

### Determine the options open to members taking into account all of the following:

- The member's record
- Scheme rules
- Relevant legislation

Use the calculations from one of the case studies completed to write a letter to the member, sponsor or trustee, quoting the benefits purchased in respect of a transfer in from a previous Scheme.

Use the calculations from one of the case studies completed to write a letter to the member, sponsor or trustee, quoting the transfer value available to a new Scheme.