Pension planning

Learning Outcomes

At the end of this unit, candidates will be able to:

Evaluate the complex needs of clients with retirement planning issues based upon a detailed understanding and analysis of the:

1. **HM Revenue & Customs tax regime for pensions;**
2. **Features and risks of pension accumulation in defined contributions and defined benefit pension schemes;**
3. **Choices facing early leavers, use of transfer value analysis, transfer advice and relevant regulatory requirements;**
4. **Various options for drawing benefits – their features, tax treatment and risks;**
5. **Appropriateness of the different solutions available;**
6. **Legal framework of pensions;**
7. **State retirement benefits.**

Entry guidance

It is assumed that the candidate already has the knowledge gained from a study of units R04 Pensions and retirement planning, J05 Pension income options or equivalent. This unit is deemed appropriate for undertaking the activity of a pension transfer specialist by the FCA.

Important notes

- **This syllabus will be examined in the October 2017 and April 2018 sessions.**
- **Candidates will be examined on the basis of English law and practice in the tax year 2017/2018 unless otherwise stated.**
- **The general rule is that exams are based on the English legislative position three months before the date of the exams.**
- **Candidates should refer to the CII website for the latest information on changes to law and practice and when they will be examined:**
  1. **Visit www.cii.co.uk/qualifications**
  2. **Select the appropriate qualification**
  3. **Select your unit on the right hand side of the page**

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Reading list

The following list provides details of various publications which may assist you with your studies.

Note: The examination will test the syllabus alone.

The reading list is provided for guidance only and is not in itself the subject of the examination.

The publications will help you keep up-to-date with developments and will provide a wider coverage of syllabus topics.

CII/PFS members can borrow most of the additional study materials below from Knowledge Services. CII study texts can be consulted from within the library.

New materials are added frequently - for information about new releases and lending service, please go to www.cii.co.uk/knowledge or email knowledge@cii.co.uk.

CII study texts

Pensions and retirement planning. London: CII. Study text R04.

Pension income options. London: CII. Study text J05.

Pension planning. London: CII. Case study workbook AF3.

All the above texts are included as electronic resources within AF3 RevisionMate (www.revisionmate.com).

Books

Guide to taxpayers' rights and HMRC powers. 4th. ed. Robert W Maas. Tottel Publishing, 2016.

Pensions law handbook. 13th ed. Pensions Department of Nabarro Nathanson. Tottel, 2017.

Pension magic: how to make the taxman pay for your retirement. 6th ed. Nick Braun PhD. Kircaldy: Tax Cafe, 2016.

Pension tax guide: a tax guide 2016-2017. 3rd ed. Robert Gaines. Chester: Claritax Books, 2016.

Factfiles

CII factfiles are concise, easy to digest but technically dense resources designed to enrich the knowledge of members. Covering general insurance, life and pensions and financial services sectors, the factfile collection includes key industry topics as well as less familiar or specialist areas with information drawn together in a way not readily available elsewhere. Available online via www.cii.co.uk/ciifactfiles (CII/PFS members only).

- The current State Pension scheme. Paul Clarke.
- State Pension age. Paul Clarke.
- Single-tier State Pension. Paul Clarke.
- State Pension credit. Paul Clarke.
- The overseas pensioner. Paul Clarke.

Annuities insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at www.cii.co.uk/forecastreports.

Life insurance in the UK, key trends and opportunities. ©Timetric Forecast Reports. Annual. Available for members at www.cii.co.uk/forecastreports.

Pensions in the UK, key trends and opportunities. Annual. ©Timetric. Available online at www.cii.co.uk/forecastreports.

Additional articles and technical bulletins are available under the Life and Pensions section of the website at www.cii.co.uk/knowledge/life-pensions.

Journals and magazines

Financial adviser. London: FT Business. Weekly. Also available online at www.ftadviser.com.

Personal finance professional (previously Financial solutions). London: CII. Six issues a year. Also available at www.thepfs.org/knowledge (CII/PFS members only).

Money management. London: FT Business. Monthly. Also available via www.ftadviser.com.

Money marketing. London: Centaur Communications. Weekly. Also available online at www.moneymarketing.co.uk.

Pensions age. London: Perspective. Monthly. Also available at www.pensionsage.com.

Pensions expert. London: FT Finance. Weekly.

Professional pensions. London: Incisive Media. Weekly. Also available at www.professionalpensions.com.

Reference materials

Butterworths pensions legislation service. London: LexisNexis UK. Looseleaf, updated.

CCH Pensions Factbook. Kingston upon Thames: CCH. Looseleaf, updated.

Concise encyclopedia of insurance terms. Laurence S. Silver, et al. New York: Routledge, 2010.*

Harriman's financial dictionary: over 2,600 essential financial terms. Edited by Simon Briscoe and Jane Fuller. Petersfield: Harriman House, 2007.*

HMRC - Pensions Tax Manual (PTM). Available online at www.gov.uk/hmrc-internal-manuals/pensions-tax-manual.

Lamont's glossary: the definitive plain English money and investment dictionary. Barclay W Lamont. 10th ed. London: Taxbriefs, 2009. Also available online via www.cii.co.uk/lamont (CII/PFS members only).

Pensions: law and practice with precedents. London: Sweet & Maxwell. Looseleaf, updated.

Pensions pocket book. London: Economic and Financial Publishing Ltd in association with Aon Hewitt. Annual.

Sweet & Maxwell's law of pension schemes. Nigel Inglis Jones. London: Sweet & Maxwell. Looseleaf, updated.

Tolley's guide to pensions taxation terminology. Alec Ure. 4th edition. London: LexisNexis Tolley, 2014.

Tolley's guide to qualifying recognised overseas pension schemes. 4th edition. Alec Ure. London, LexisNexis Tolley, 2014.

Tolley's guide to disclosure of tax avoidance schemes and pension schemes. Alex Ure. London, LexisNexis Tolley, 2010.

* Also available as an ebook through Discovery via www.cii.co.uk/discovery (CII/PFS members only).

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Examination guides

Guides are produced for each sitting of written answer examinations. These include the exam questions, examiners' comments on candidates' performance and key points for inclusion in answers.

You are strongly advised to study guides from the last two sittings. Please visit www.cii.co.uk to buy online or contact CII Customer Service for further information on +44 (0)20 8989 8464.

Alternatively, if you have a current study text enrolment, the latest exam guides are available via www.revisionmate.com.

Older guides are available via www.cii.co.uk/pastexamguides (CII/PFS members only).

Exam technique/study skills

There are many modestly priced guides available in bookshops. You should choose one which suits your requirements.

The Insurance Institute of London holds a lecture on revision techniques for CII exams approximately three times a year. The slides from their most recent lectures can be found at www.cii.co.uk/iilrevision (CII/PFS members only).

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