

# Financial protection

## R05: 2017–18 edition

### Web update 1: 18 August 2017

Please note the following updates to your copy of the **R05** study text:

#### Syllabus quick-reference guide, page 9

Please amend text to read as follows (amendment in **bold**):

3.1	Examine the role and limitations of State Benefits and state/local authority funded solutions for financial protection.	<b>3A–3J</b>
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#### Chapter 3, section C1, page 3/4, 2<sup>nd</sup> bullet point

Please amend text to read as follows (amendment in **bold**):

- claimant with dependent child(ren) – lump sum of £3,500, plus monthly instalments of **£350** for eighteen months.

#### Chapter 3, section F2A, page 3/10, 4<sup>th</sup> bullet point

Please amend text to read as follows (amendment in **bold**):

- Families with lower income, high childcare costs, several children or children with disabilities may be entitled to additional elements of CTC and WTC. This can mean that some families with income above the higher rate tax threshold of **£33,500** in 2017/18 can still receive some tax credits.

#### Change to State pension age



##### Be aware

The Government has announced that, following its decision to accept the recommendations of the Cridland report, the rise in the State pension age (SPA) to 68 will now be phased in between 2037 and 2039. This is instead of two years starting in 2044, as is currently legislated for in the Pensions Act 2007. The change will affect anyone born between 6 April 1970 and 5 April 1978. The Government also announced it would carry out a further review, which is due in July 2023, before legislating to bring forward the new rise in the SPA. Candidates should ensure they stay up to date with developments.

**This change affects the following section:**

- Chapter 3, section I2, page 3/15.

#### Chapter 5, section B, page 5/8

Please amend text to read as follows (amendment in **bold**):

The life fund of a UK insurer is subject to taxation. The tax rules are extremely complex but the broad effect is that the fund pays tax at 20% on rental income, interest and offshore income.

- UK dividends are generally exempt from tax.**
- If the fund sells any assets at a profit, it pays tax on any gain at 20%.**