

PSA5 – SQA Unit Code H5JE 04

Process pension scheme early leavers notifications



Overview

This unit is about processing pension scheme early leaver's notifications. After verifying the notification for proper authorisation and checking for and taking action with any relevant legal requirements, you must process the notification and documents in accordance with statutory and scheme requirements and if the scheme is Defined Contribution, you must check that contributions due are paid up-to-date and invested. You must inform the member of the options available to them and their benefits, in accordance with any disclosure requirements, and also amend their records to reflect their chosen option. You must also notify the tax authorities if the scheme is contracted out.

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Performance criteria

You must be able to:

- P1 Check and verify every notification for proper authorisation
- P2 Investigate and resolve any omissions or discrepancies in the application
- P3 Check for, and take action as appropriate with any relevant legal requirements
- P4 Process all member notifications and documents in accordance with statutory and relevant pension scheme requirements
- P5 Using the appropriate documents, inform the scheme member of the options available to them, or if an election is ruled invalid, within required timescales
- P6 Inform relevant parties, so that appropriate action can be taken
- P7 If the scheme is Defined Contribution, check that contributions due are paid up-to-date and invested
- P8 Calculate the benefits, where appropriate
- P9 Notify the member of their benefits in accordance with any disclosure requirements
- P10 Notify the tax authorities if the scheme is contracted out
- P11 Amend the scheme member's record to reflect the chosen option

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Knowledge and understanding

You need to know and understand:

- K1 The need for, and methods of, verification and validation checking
- K2 Requirements for the discharge of benefits and how to interpret and apply statutory and relevant pension scheme requirements, including contracting out, to determine these
- K3 How to resolve any discrepancies or omissions in information
- K4 The impact of the statutory revaluation rates for Defined Benefit schemes
- K5 The accurate application of calculation methods
- K6 The application of Scheme regulations in order to inform leavers of appropriate options available to them, and any circumstances when member's benefits may be withheld
- K7 Who the paying agents / third party administrators are and what information they require, as appropriate
- K8 The internal procedures that you need to follow and records that need to be updated when settling benefits
- K9 Required timescales for action, and the consequences of non-compliance
- K10 Any relevant legal requirements and the relevant legislation including Anti-money Laundering, Data Protection, equality and diversity legislation, Cancellation notices, HMRC and DWP regulations and The Pensions Regulator's Codes of Practice for Internal Controls and for Trustee Knowledge and Understanding
- K11 The difference between giving financial advice and

providing

information to the member

K12 What is meant by the scheme being contracted out of the State Second Pension Scheme (S2P), and the information which must be provided and the statutory payments that must be made to reinstate the member into the state scheme, where applicable

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Additional Information

Behaviours

- 1 You are sensitive to members' lack of technical expertise and use your intuition and experience to help them fully understand the issues
- 2 You gather and manage information effectively, efficiently, ethically and confidentially
- 3 You have a clear understanding of the extent and limits of your authority to take decisions
- 4 You identify the information needs of colleagues, clients and others
- 5 You make appropriate information and knowledge available to those who need it and who are entitled to have it
- 6 You present information in a timely manner, clearly, concisely and accurately, and in a way that promotes understanding
- 7 You look for potential improvements and propose courses of action that are timely, appropriate and achievable
- 8 You take pride in the quality of your work
- 9 You understand the needs and motivations of others
- 10 You work in a professional, co-operative and mutually supportive manner
- 11 You pay attention to details that are critical to your work
- 12 You use communication styles that are appropriate to different people and situations

A 'pick and mix' approach should again be used for the inclusion of Behaviours in job descriptions, training programmes etc, and further guidance is available on the Financial Skills Partnership's website, at www.financialskillspartnership.org.uk.

Links to other NOS

A range of separate NOS, developed both by the Financial Skills Partnership and other Sector Skills Councils, cover other roles in Pension Scheme Administration including handling money and

organising and delivering reliable customer service. The following will be particularly relevant.

- NOS for Customer Payments for Financial Products and Service – particularly unit *FCP02 Assess and use financial information to reconcile accounts*
- NOS for Credit Management – particularly unit *CM3 Process invoices and payment transactions*, and NOS for Financial Services Customer Care

The Council for Administration have also developed a full suite of NOS for Customer Service, and these can be accessed at www.cfa.uk.com.

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