

PSA7 – SQA Unit Code H5JG 04

Quote on defined benefit and defined contribution pension scheme retirement benefits



Overview

This unit is about quoting on defined benefit and defined contribution pension scheme retirement benefits. After checking notifications of retirement benefits and the member's details, including checking for any relevant legal requirements and discrepancies in information, you must consider the size of the fund / level of pay on which benefits are to be based. You must correctly calculate the member's retirement benefits, confirming these to the member and responding to any queries within required timescales. Your calculations must include consideration of the member's eligibility for trivial commutation, their service record and any elections they may have already made

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Performance criteria

You must be able to:

- P1 Follow the correct procedure to ensure that all notifications of retirement benefits are checked for authorisation by the appropriate person
- P2 Validate the date of birth of retiring members to see that it matches the existing scheme record, ensuring that you have the correct marriage and / or civil partnership certificates where appropriate
- P3 Establish if there are any relevant legal requirements
- P4 Consider the size of the fund / level of pay on which benefits are to be based for reasonableness against the member's record
- P5 Take account of any divorce debits, as appropriate, within the scheme rules, member circumstances and internal procedures
- P6 Investigate and resolve any omissions or discrepancies in the retiring member's details
- P7 Calculate the Pension Commencement Lump Sum, including any benefits from additional contributions paid, and provide a quotation of income options available, giving consideration to the member's eligibility for trivial commutation, their service record and any elections they may have already made, the scheme rules and any overriding statutory and relevant pension scheme requirements that may affect sums
- P8 Confirm lifetime allowances to the member and obtain information from them regarding other pension benefits
- P9 Respond to any queries from the member within required timescales

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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 How to determine retirement benefits and options as specified in the regulations
- K3 How to apply validation methods to ensure data is correct
- K4 How to resolve any discrepancies or omissions in information
- K5 How to apply correct and appropriate calculation methods and standard practices
- K6 How benefits are affected by overriding statutory and relevant pension scheme requirements, including contracting out and lifetime allowance limits, and the effect that a member's other pension benefits may have on their Scheme benefits
- K7 The Scheme's requirements for medical evidence (if any), the discharge of benefits and how they are applied
- K8 When to apply pensions increase regulations when determining retirement 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

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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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