

## PSA8 – SQA Unit Code H5JH 04

### Process defined benefit and defined contribution pension scheme retirement benefits



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#### Overview

This unit is about processing defined benefit and defined contribution pension scheme retirement benefits. After receiving proper authorisation for the notification of retirement benefits and validating the member's details, including checking for any relevant legal requirements and discrepancies in information, you must inform the retiring member of the elected options available to them within required timescales. You must promptly arrange payment and respond to any queries from the member within required timescales. You must amend the retiring member's records to reflect their change in membership status and, as appropriate, notify the regulatory bodies of the member leaving.

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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 Investigate and resolve any omissions or discrepancies in the retiring member's details
- P4 Establish if there are any relevant legal requirements
- P5 Inform the retiring member of the elected options available to them within required timescales
- P6 Implement any divorce debits, as appropriate, within the scheme rules, member circumstances and internal procedures
- P7 Promptly arrange payment, via the relevant income option provider as appropriate, in line with organisational requirements and taking into account any options exercised, required authorisation, and evidence of age
- P8 Respond to any queries from the member within required timescales
- P9 Amend the retiring member's records to reflect their change in membership status
- P10 Where appropriate notify the relevant regulatory bodies of the member leaving 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 correct and appropriate calculation methods and standard practices
- K4 How to resolve any discrepancies or omissions in information
- K5 How benefits are affected by overriding legislation including lifetime allowance limits, and the effect that a member's other pension benefits may have on their Scheme benefits
- K6 The Scheme's requirements for medical evidence (if any), the discharge of benefits and how they are applied
- K7 When to apply pensions increase regulations when determining retirement benefits
- K8 Required timescales for action, and the consequences of non-compliance
- K9 How to apply statutory and relevant pension scheme requirements, including contracting out
- 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 internal procedures that you need to follow and the records that need to be updated when settling benefits

K12 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](http://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](http://www.cfa.uk.com).

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**Relevant occupations** 4132 Pensions and insurance clerks

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**Suite** Pension Scheme Administration

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