

LIBF

Part of Walbrook
Institute London

LIBF Level 6 Award in Pension Transfers (AwPETR)

Qualification specification



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Purpose of the qualification

Why study the LIBF Level 6 Pension Transfers (PETR)?

The main focus of the LIBF Level 6 Pension Transfers (PETR) is understanding the concepts that encapsulate pension transfers and from this understanding the ability to make recommendations to clients that meet their needs and aspirations within the context of a legal and regulatory framework, recognising the importance of framing such advice ethically. The unit will cover the concepts and skills with reference to case studies and empirical evidence.

The unit aims to give you an understanding of the nature of pension transfers, by providing a comprehensive analysis of pertinent issues, both theoretical and practical, on the topic.

Specifically, it aims to build an appreciation of pension transfers within the context of the advisability of doing so for a client to make sure that a preferred option meets their needs and aspirations.

The unit will not only broaden your knowledge and understanding of the financial services industry but also further develop your intellectual and practical skills via the analysis and evaluation of the pension transfer process and potential options that you may offer your clients.

The PETR unit is also contained within the [Level 6 Diploma in Financial Advice](#) (Adv DipFA®). By successfully completing PETR, you can achieve the Level 6 Adv DipFA® by completing a further three units.

Successfully completing the Level 6 Adv DipFA® can lead to Chartered status with LIBF. Applicants for Chartered status must have at least three years' relevant work experience. Achieving and maintaining Chartered status is a mark of professional standing that recognises academic achievement, an ongoing dedication to professional development and a commitment to the highest ethical and business standards.

Key content areas

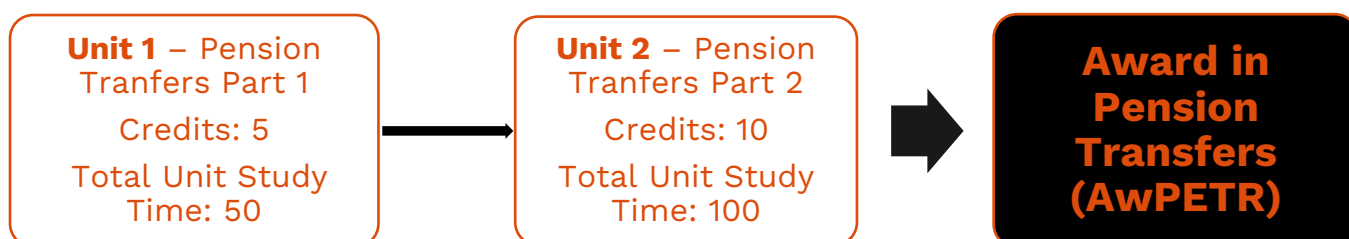
The qualification covers:

- Regulatory and legislative pension transfer advice requirements.
- How the main parties involved in processing a pension transfer are able to meet a client's objectives.
- The different types of pension arrangements.
- The impact the Pension Protection Fund and the Financial Ombudsman Service has on a scheme with solvency issues.

- The implications of the source of a transfer.
- The advantages and disadvantages of a pension transfer.
- The impact of tax on transfers to and from overseas pension schemes.
- The workings of block transfers and winding up.
- The implications of moving between different pension scheme types.
- Rules regarding pension transfers and divorce.
- The implications of cash incentives to leave a defined benefit scheme.
- How pension returns and options are related to a combination of investment risk and capital risk.
- Analyse financial circumstances and retirement options to meet a client's objectives.

Structure

PETR is made up of two mandatory units that must be successfully completed to achieve the qualification.



The detailed unit syllabuses are available in Appendix 1 of this document and the latest versions are always available through our course website.

Qualification delivery

Total Qualification Time (TQT)

Total Qualification Time (TQT) is a prediction of the total time a student with no prior knowledge might need to complete the qualification.

TQT consists of two elements, Guided Learning (GL) and all other hours:

- Guided Learning (GL) comprises study time under direct teacher supervision, encompassing instructional sessions and supervised examinations.
- All other hours include hours spent unsupervised in research, learning, e-learning, e-assessment, completing coursework, exam preparation, and formal assessments.

PETR is primarily considered a self-directed study qualification with planned examination sessions.

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| Guided Learning Hours | 3 hours |
| Other hours | 147 hours |
| Total Qualification Time | 150 hours |

Assessment

Two examinations, each consisting of:

90-minute examination comprising written questions worth a total of 50 marks (50%).

The overall qualification will be graded Pass/Fail only. The pass mark is 50%.

Preparing for the assessment

Examinations are sat electronically at any one of the Pearson VUE test venues worldwide or via Remote Invigilation in permitted locations where you can sit your assessment remotely. You must be registered to sit an examination at a test venue of your choosing (subject to demand/availability); this is managed by you. It is recommended that you book your exam three weeks in advance of the date you wish to sit. However, subject to availability, an examination can be booked as little as two working days in advance. Examinations can be booked via the Pearson VUE website or by phone. Please visit the Pearson VUE website for further information.

To prepare for the assessment, you should make use of all learning resources and study guides as part of your studying.

Qualification grading

The overall qualification will be graded Pass/Fail only. To achieve a pass, you must achieve a minimum mark of 50%.

Feedback is provided via analysis sheets available on [MyLIBF](#), to see your strengths and areas to develop.

A Chief Examiner report based on the performance of the whole cohort is available for the examination.

Resit attempts

The qualification has a twelve-month registration period. There are no restrictions on the number of times you can resit a unit in which you were unsuccessful, however, you must resit the unit in accordance with the published policies of LIBF.

Additional information

Entry requirements

You must have passed the Level 4 DipFA®, or an equivalent qualification that meets the current FCA retail financial advice standards.

Recognition of prior learning (RPL)

LIBF recognises prior learning in different forms. Potentially, this means that you may not be required to register for every unit. Details of how to apply for recognition of prior learning are available on our [website](#).

Progression and preparation for further study

As a free-standing qualification, PETR provides a platform for continued study within the financial services sector and a wide range of other business-related disciplines.

If you wish to obtain the [Level 6 Diploma in Financial Advice \(Adv DipFA®\)](#) you will need to achieve three further units which includes two core units. Upon achieving these, you may then apply for Chartered Status.

Preparation for employment

This qualification furthers knowledge and understanding of pension transfers and enhances skills that are valued within the financial services sector and others but does not qualify you for direct entry to a particular occupational role.

Appendices

Appendix 1 – Pension Transfers (PETR)

Appendix 1 provides a description of PETR and syllabus which includes the learning outcomes and assessment criteria for the unit.

PETR assessment methodology

Each unit is assessed by a 90-minute examination comprising written questions worth a total of 50 marks each (50% weighting per exam).

The overall qualification will be graded Pass/Fail only. The pass mark is 50%.

PETR Part 1 Learning outcomes, assessment criteria and indicative content

| Learning outcome (LO) The learner when awarded credit for this unit will: | Assessment criteria (AC) Assessment of the LOs will require a learner to demonstrate that they can: | Indicative content |
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| 1. Understand regulatory requirements for pension transfers to a retail client. | 1.1 Understand the regulatory definition of a pension transfer, pension conversion and pension opt-outs. | <ul style="list-style-type: none"> Understand the FCA's pension definitions. |
| | 1.2 Understand legislative and regulatory requirements in relation to conversions and transfers of pension benefits. | <ul style="list-style-type: none"> S.48 Pensions Scheme Act 2015. The Pensions Scheme Act 2015. Statutory rights to transfer. |
| | 1.3 Understand the Financial Conduct Authority and The Pensions Regulator Rules. | <ul style="list-style-type: none"> FCA rules, guidance and alerts specific to pension transfers pension conversions and pension opt-outs. Record keeping and data protection. Insistent customers. Advice versus guidance. Appropriate Pension Transfer Analysis (APTA), including Transfer Value Comparator (TVC). Statutory advice. The Pensions Regulator. Trustee responsibilities. Pension scams. |
| 2. Critically analyse the role of a pension transfer specialist when meeting client objectives. | 2.1 Critically analyse the main parties involved in a pension transfer. | <ul style="list-style-type: none"> Understand roles and responsibilities of those involved in the pension transfer process including impartial guidance services. Understand the purpose of the Ombudsman services. |

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| | | <ul style="list-style-type: none"> • Critically analyse outsourced pension transfer advice. • Analyse client motivation for transfer, including need for cash, and other reasons why advice is being sought. • Analyse Third party software. • Analyse the role of discretionary fund managers. |
| | 2.2 Evaluate the role of the pension transfer specialist. | <ul style="list-style-type: none"> • Understand the role of a pension transfer specialist. • Identify outsourced pension transfer specialist. • Understand the purpose of the triage service. • Identify the key stages of the pension transfer process. • Evaluate safeguarded benefits. • Understand Pension transfer advice implementation and review. |
| | 2.3 Evaluate how to establish and meet client objectives. | <ul style="list-style-type: none"> • Evaluate current pension entitlements (including the state pension). • Understand how to transfer safeguarded benefits. • Identify how and when benefits will be taken, including assessment of client's ability to manage funds over the long term. • Evaluate how to deal with a client who is a self-investor. |
| 3. Understand APTA and TVC and the rights of members pre and post a pension transfer recommendation. | 3.1 Understand the rights and options of leavers. | <ul style="list-style-type: none"> • Transfer value. • Ill health, serious ill-health, disability and other forms of benefits and implications for taxation. • Early retirement benefits and impact on APTA. • Deferred benefits and impact on APTA. • Cash commutation of benefits at retirement; and partial transfers. |

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| | 3.2 Understand APTA and TVC. | <ul style="list-style-type: none"> • The role and impact of TVC. • Purpose of APTA in demonstrating suitability. • Reconciling client objectives and needs with trade-offs between retirement options, TVC and other factors. • Communicating APTA and TVC to clients. |
| 4. Analyse the solvency issues of receiving schemes in a range of UK and overseas pension transfer scenarios. | 4.1 Understand schemes with solvency issues. | <ul style="list-style-type: none"> • The role and impact of the Pension Protection Fund (PPF), in meeting client objectives and needs. • The role and impact of the Pensions Regulator in overseeing scheme funding issues. • The risks of analysing scheme solvency, funding levels and employer covenant. • Comparing PPF benefit levels with DC benefits and risks. |
| | 4.2 Understand transfers abroad (to and from overseas schemes). | <ul style="list-style-type: none"> • Qualifying rules. • Legislative and FCA requirements for overseas customers and the parties involved, including regulated individuals in the UK and overseas. • Obtaining necessary information from overseas advisers. |
| | 4.3 Analyse the fundamentals of workings of block transfers and winding up. | <ul style="list-style-type: none"> • Protection of tax-free cash and protected retirement ages. • Reporting requirements. |

PETR Part 2 Learning outcomes, assessment criteria and indicative content

| Learning outcome (LO) The learner when awarded credit for this unit will: | Assessment criteria (AC) Assessment of the LOs will require a learner to demonstrate that they can: | Indicative content |
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| 5. Analyse pension arrangements, cash incentives and transitional protections before recommending a pension transfer. | 5.1 Analyse the different types of pension arrangements. | <ul style="list-style-type: none"> • Defined contribution schemes. • Defined benefit schemes. • Other safeguarded benefit schemes. • Career average schemes. • Hybrid schemes. • Public sector schemes including transfer options. • Small self-administered schemes. • Stakeholder pensions, personal pensions and self-invested personal pensions. • Workplace pensions and automatic enrolment. • Benefit crystallisation options. |
| | 5.2 Analyse the implications of cash incentives to leave a defined benefit scheme, including enhanced transfer value exercises. | <ul style="list-style-type: none"> • Implications of cash incentives to leave a defined benefit scheme. • Impact on APTA and TVC and the way in which pension transfer is reported. • Motivation of employers to offer such incentives. • Risks of streamlining advice when providing personal recommendations. |
| | 5.3 Analyse transitional protection arrangements. | <ul style="list-style-type: none"> • Transitional protection arrangements (primary & enhanced) protection. • Protected transfers. • Protected tax-free cash and retirement ages. |

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| | 5.4 Analyse APTA: Income options and death benefits and their impact on the transfer recommendation. | <ul style="list-style-type: none"> • The difference between retirement options relative to the client's capacity to accept transfer risk and attitude to investment risk. • Comparing death benefit structures on a consistent basis, at different points in time. • Effect of taxation for differing retirement options. • The pension advice allowance. • Trade-offs between options and benefits, TVC and client objectives and needs. |
| 6. Analyse the death benefits of a pension transfer – before and after a benefit crystallisation event. | 6.1 Analyse how income options and death benefits are related to a combination of investment risk, economic risk and mortality risk. | <ul style="list-style-type: none"> • Inflation and investment returns – nominal and real. • Risks associated with each retirement option. • The appropriateness of indexation. • The probabilities in relation to dependents' benefits. • Capital protection on death. |
| | 6.2 Analyse the advantages and disadvantages of a transfer. | <ul style="list-style-type: none"> • Analyse the advantages and disadvantages of a transfer. • A range of APTA transfer circumstances, including a TVC, to support the analysis. |
| 7. Analyse the compliance requirements of a pension transfer for a retail client and implications in the event of divorce. | 7.1 Analyse financial circumstances and retirement options. | <ul style="list-style-type: none"> • Analyse and interpret a range of financial circumstances and retirement options in order to prepare personal recommendations which meet suitability requirements. • Consider how the personal recommendation fits with the FCA view that giving up safeguarded benefits will not be suitable. |
| | 7.2 Understand the application of rules regarding pension transfers and relationships. | <ul style="list-style-type: none"> • Shadow benefits in the event of divorce and ending of civil partnerships. • Implications of pension sharing and impact on the transfer. |

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| | | <ul style="list-style-type: none">• Issues surrounding pension sharing versus attachment orders. |
| | 7.3 Apply suitable pension transfer solutions to specific client circumstances. | <ul style="list-style-type: none">• Suitable pension transfer solutions in a range of given circumstances.• Demonstrate the principles of best practice and reinforce the Know Your Customer (KYC) process. |