

# LIBF

Part of Walbrook  
Institute London

## LIBF Level 6 Financial Planning in Retirement (FPIR)

Qualification specification



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## Purpose of the qualification

### Why study Level 6 Financial Planning in Retirement (FPIR)?

This qualification will provide holistic knowledge on the potential options that advisers and paraplanners will need to critically evaluate as a client approaches retirement or are already in retirement.

Given the significant changes to pension legislation over recent times and the impact these have had for individuals and future generations, it is important to consider fully all the options to generate income, preserve capital and effectively plan for future IHT liabilities using existing assets, including property.

This qualification is aimed at advisers and paraplanners, taking a very practical approach; ensuring you develop a good understanding of the options available including drawdown, use of annuities, cash flow tools and equity release considerations, once the clients aspirations in retirement are explored and understood.

### Objectives and key content areas

To provide advising professionals with the knowledge and skills to critically evaluate retirement approaches and understand their application to various customer scenarios.

Throughout the programme, you will understand:

- retirement planning considerations;
- evaluating client's needs and aspirations;
- analysing a client's current position;
- cash flow tools and management;
- income generation strategies from pensions;
- later life planning considerations; and
- analysing estate planning.

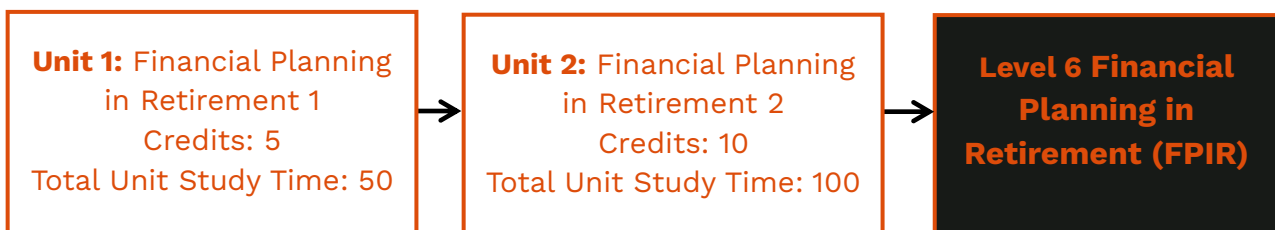
## Key skills developed

The qualification will encourage you to:

- develop your ability to apply both qualitative and quantitative skills in order to analyse problems, identify appropriate solutions and make decisions;
- increase your ability to develop and defend arguments and/or concepts;
- develop your ability to conduct research and assess the outcomes of that research;
- develop your ability to refine and adapt information to create and support an argument;
- develop your critical thinking and analytical skills.

## Structure

Level 6 Financial Planning in Retirement (FPIR) is made up of two mandatory units which must be successfully completed to achieve the qualification:



## 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 course.

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.

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

Guided Learning Hours	2 hours
Other hours	148 hours
Total Qualification Time	150 hours

## Assessment

### Written examination

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

### Timed assessment

Learners will be provided with a pre-released fact find to familiarise themselves with. A series of questions will be provided to learners on a set date and time. Learners will have 4 hours to complete this assessment and submit their responses – 50% weighting.

The pass mark for all assessment components is 50%.

### Preparing for the assessment

On registration, you will be automatically allocated to a specific assessment session. Your assessment dates will also be provided.

To prepare for all assessment elements, you should make use of all learning resources.

### Qualification grading

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

Grade	Percentage mark
Pass	50

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

## Resit attempts

The qualification has a six-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.

You also need to be satisfied of your ability to study in English.

### Recognition of prior learning (RPL)

In line with LIBF's RPL policy, as a single module qualification, this qualification is not eligible for recognition of prior learning.

### Progression and preparation for further study

This qualification provides a platform for continued study within the financial services sector and a wide range of other business-related disciplines.

Refer to the Level 6 Diploma in Financial Advice (Adv DipFA®) qualification specification to determine the units required to complete the qualification.

Upon successfully achieving all relevant units you may then apply for [Chartered Status](#) to become Chartered as a Regulated Financial Adviser.

### Preparation for employment / professional development

This qualification develops knowledge and understanding of financial planning at retirement and enhances skills that are valued within that sector and others. This qualification takes a practical approach, ensuring students develop an inquisitive approach to the challenges that arise for individuals reaching or at retirement.

## Appendices

### Appendix 1 –FPIR Part 1 learning outcomes and assessment criteria

LO	<b>Learning outcome (LO)</b> The learner will:	<b>Assessment criteria (AC)</b> The learner can:	<b>Indicative Content</b>
LO1	Understand the need for effective financial planning in retirement	1.1 Describe expenditure needs at retirement and beyond	<ul style="list-style-type: none"> <li>• Client types</li> <li>• Expenditure patterns</li> <li>• Changes to expenditure needs during retirement</li> </ul>
		1.2 Identify the different sources of retirement income and capital	<ul style="list-style-type: none"> <li>• Pension benefits from defined benefit schemes</li> <li>• Pension benefits from defined contribution schemes</li> <li>• Income from non-pension sources such as investments/property</li> <li>• Income from continued employment or self-employment</li> <li>• State pension and other financial support</li> <li>• Investment risk in retirement</li> </ul>
		1.3 Describe the current legislation and regulation applying to pensions	<ul style="list-style-type: none"> <li>• Pension flexibility</li> <li>• State pension changes</li> <li>• The Pension Regulator</li> <li>• Bankruptcy and pensions</li> </ul>
		1.4 Understand when pension income can be accessed	<ul style="list-style-type: none"> <li>• Rules on accessing funds including the pension commencement lump sum</li> <li>• Impact of the Money Purchase Annual Allowance</li> <li>• Death benefits</li> </ul>
LO2	Evaluate clients' needs, aims and objectives	2.1 Evaluate client's key personal and financial information	<ul style="list-style-type: none"> <li>• Retirement planning process</li> <li>• Gathering an understanding of assets, liabilities, dependants</li> </ul>

		2.2 Identify a client's key retirement aspirations	<ul style="list-style-type: none"> <li>• Income projections</li> <li>• Capital projections</li> <li>• Impact of inflation</li> <li>• Attitude to risk and capacity for loss in retirement</li> </ul>
LO3	Evaluate a client's financial position	3.1 Understand and evaluate the client's existing provision for retirement	<ul style="list-style-type: none"> <li>• Understand and evaluate the client's income and expenditure</li> <li>• Earned income</li> <li>• Investment income</li> <li>• State benefits</li> <li>• Committed expenditure</li> <li>• Discretionary expenditure</li> </ul>
		3.2 Analyse existing capital provision	<ul style="list-style-type: none"> <li>• Assets</li> <li>• Liabilities</li> <li>• Factors in the analysis of assets/liabilities</li> </ul>
		3.3 Evaluate any shortfall in retirement provision	<ul style="list-style-type: none"> <li>• Reviewing existing pension provision</li> <li>• Switching</li> <li>• State pension shortfalls – Class 3 National Insurance contributions</li> </ul>
		3.4 Describe the tax treatment of different income options	<ul style="list-style-type: none"> <li>• Describe the tax treatment of different income options</li> <li>• Taxation of pension income</li> <li>• Taxation of savings and dividend income</li> <li>• Taxation of Life assurance bonds</li> <li>• Taxation of property income/ Rent a room</li> <li>• Lifetime allowance, Money Purchase Annual Allowance, Tapered Annual Allowance</li> <li>• Tax relief on pensions/Threshold income</li> <li>• Adjusted income</li> </ul>



## Appendix 2 - FPIR Part 2 learning outcomes and assessment criteria

LO	<b>Learning outcome (LO)</b> The learner will:	<b>Assessment criteria (AC)</b> The learner can:	<b>Indicative Content</b>
LO4	Evaluate and apply suitable financial planning tools	4.1 Identify suitable financial planning tools	<ul style="list-style-type: none"> <li>Modelling for retirement</li> </ul>
		4.2 Demonstrate knowledge of cash flow, risk profiling and asset allocation tools	<ul style="list-style-type: none"> <li>Cash flow modelling including income/expenditure, longevity, and inflation</li> <li>Risk profiling</li> <li>Asset allocation principles and tools and the benefits/limitations</li> <li>ESG and ethical investments</li> </ul>
LO5	Analyse various retirement income options	5.1 Evaluate and apply knowledge of drawdown, annuities, secured and flexible pension income, lump sum options, and pension investment options	<ul style="list-style-type: none"> <li>Pension commencement lump sum</li> <li>Uncrystallised funds pension lump sum</li> <li>Trivial computation and small pots</li> <li>Secured pension income/annuity options</li> <li>Flexible pension income options</li> <li>Flexi-access and capped drawdown</li> <li>Retirement annuity contracts</li> <li>Effective reviews</li> </ul>
		5.2 Evaluate and apply knowledge of other pension income options	<ul style="list-style-type: none"> <li>Phased retirement using flexi-access drawdown</li> <li>Phased retirement using uncrystallised funds pension lump sums</li> <li>Phased retirement using pension commencement lump sums</li> <li>Phased retirement using regular lifetime annuity purchase</li> </ul>
		5.3 Understand the structure of combined investment/retirement strategy	<ul style="list-style-type: none"> <li>Investing in equities and bonds</li> <li>Collectives</li> <li>Using property in retirement (BTL and Equity release)</li> <li>Venture Capital Trusts and Enterprise Investment Schemes</li> </ul>

		5.4 Understand investment risk during decumulation	<ul style="list-style-type: none"> <li>• Cash flow modelling</li> <li>• Life expectancy</li> <li>• Stress testing cash flow modelling</li> <li>• Inflation</li> <li>• Sequencing risk</li> <li>• The safe withdrawal rate</li> </ul>
LO6	Consider the options for effective later life and IHT planning	6.1 Understand and demonstrate later life planning considerations as part of the retirement strategy	<ul style="list-style-type: none"> <li>• Later-life planning considerations – Family involvement</li> <li>• Vulnerable clients</li> </ul>
		6.2 Describe the considerations an adviser should take into account regarding long-term care and mental incapacity	<ul style="list-style-type: none"> <li>• Long-term care options</li> <li>• Mental incapacity - Power of attorney</li> </ul>
		6.3 Understand and demonstrate estate planning considerations as part of the retirement strategy	<ul style="list-style-type: none"> <li>• Wills and intestacy</li> <li>• Asset Protection Trusts</li> <li>• IHT reliefs</li> <li>• Pension death benefits</li> <li>• Estate planning</li> </ul>