

LIBF Level 6 Pension Transfers (PETR)

Qualification Specification



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Purpose of the qualification

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

The LIBF Level 6 Pension Transfers (PETR) is primarily designed for students aged 19+ with experience in the financial advice sector.

The unit's main focus 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 the London Institute of Banking & Finance. 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

- Understand pension transfers.
- Understand how to apply suitable pension transfer solution to meet specific client circumstances.

Key skills developed

The qualification will encourage you to:

- explain all appropriate rules that operate to facilitate pension transfers and opt outs;
- analyse how the main parties involved in processing a pension transfer are able to meet a client's objectives;
- analyse the factors that have an affect on critical yield;
- assess the impact the Pension Protection Fund and the Financial Ombudsman Service has on a scheme with solvency issues;
- analyse the implications of the source of a transfer;
- analyse the impact of tax on transfers to and from overseas pension schemes;
- explain the workings of block transfers and winding up;
- appraise the implications of moving between different pension scheme types;
- analyse the implications of cash incentives to leave a defined benefit scheme;
- analyse transitional issues as a result of different forms of protection on pension schemes;
- analyse income options and their impact on a transfer recommendation;
- analyse 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;
- apply rules regarding pension transfers and divorce; and,
- justify advice, guidance and recommendations made to a client.

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)

In line with the London Institute of Banking & Finance regulations, as PETR is a single unit qualification, recognition of prior learning does not apply.

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 receive the Level 6 Diploma in Financial Advice (Adv DipFA®) you will need to achieve the remaining three units. Upon achieving these, you may then apply for Chartered Status.

Apprenticeships

PETR is not currently available through an apprenticeship.

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.

Structure

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

The detailed unit syllabus is available at Appendix 2 to this document and latest versions are always available through The London Institute of Banking & Finance course site.

Total Qualification Time (TQT)

TQT is a prediction of the total time a student with no prior knowledge might need to complete the course.

PETR is primarily considered as a distance learning qualification with two sessions each year.

Guided Learning Hours	10 hours
Other hours	140 hours
Total Qualification Time	150 hours

Learning resources

Students are provided with the following learning resources:

- Weekly study guides including tutor-led activities.
- Exemplar papers.
- Chief Examiner reports.
- Online access via MyLIBF- www.myLIBF.com to learning materials and to KnowledgeBank (virtual library).
- Unit syllabus.

What to do before the assessment

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

Assessment

There is a written examination. This is a 3 hour exam that consists of a mixture of short and long answer questions; an additional 15 minutes reading time is provided before the examination time commences.

The pass mark is 40%. To pass the unit you must achieve the minimum pass mark. The structure of the assessment ensures that all aspects of the course content are subject to external examination.

Qualification grading

The overall qualification will be graded pass only. To achieve a pass, you must achieve a minimum mark of 40%.

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

Grade classifications are pre-determined and align to the published grade descriptors available to learners.

However, the grade classifications may be subject to change under the jurisdiction of the assessment board where this is necessary to maintain standards of validity.

Re-sit attempts

There are no restrictions on the number of times you may resit the assessment.

Appendices

Appendix 1 – Regulation detail

This document describes the regulation detail that is applicable to the qualification.

Qualification title	LIBF Level 6 Pension Transfers (PETR)
Ofqual qualification number	601/5717/3
Qualification level	6
Qualification type	Occupational Qualification
European Qualifications Framework (EQF) level	6
Regulation start date	25 February 2015
Operational start date	01 March 2015
Assessment available in English	Yes
Assessment available in Welsh	No
Assessment available in Irish	No
Sector subject area	15.1 Accounting and Finance
Total credits	15
Minimum credits at / above level	15
Guided learning hours	10
Total qualification time	150 hours
Overall grading type	Pass
Assessment methods	Written examination
Qualification description	Pension Transfers consists of one mandatory unit. A total credit value of 15 must be obtained for achievement of the qualification

Appendix 2 – PETR – Unit details

Pension Transfers (PETR)

Unit description

The unit aims to provide you with an understanding of the nature of pension transfers, both theoretical and practical. It aims to build an appreciation of pension transfers within the context of the suitability of doing so for a client to make sure that a preferred option meets their needs and aspirations.

Unit title	Pension Transfers (PETR)
Ofqual unit reference number	T/505/9677
Unit level	6
Unit credit value	15
Typical study hours	150

PETR assessment methodology

- a. PETR is assessed by written examination. The examination is to be completed in three hours. An additional 15 minute's reading time is provided before the examination time commences.

PETR learning outcomes / assessment criteria

Assessment criteria The learner when awarded credit for this unit will understand:		Assessment content The learner will be assessed on the following areas:
1 pension transfers.	1.1	Explain all appropriate rules that operate to facilitate pension transfers and opt-outs. <ul style="list-style-type: none"> • Definitions of a pension transfer and opt-out, and consumer motivations. • Role and responsibilities of the parties involved. • Regulatory rules – COBS, rights and options of leaver’s record-keeping / reporting, insistent customers. • The Pensions Regulator.
	1.2	Analyse how the main parties involved in processing a pension transfer are able to meet a client’s objectives. <ul style="list-style-type: none"> • Key stages of the pension transfer process. • Establishing client objectives.
	1.3	Analyse the factors that have an effect on critical yield. <ul style="list-style-type: none"> • The principles of TVAS. • Asset allocation and how critical yield might be achieved.
	1.4	Assess the impact that the Pension Protection Fund and the Financial Ombudsman Service have on a scheme with solvency issues. <ul style="list-style-type: none"> • The role and impact of the PPF. • The role and impact of the FOS. • The order of priorities for drawing benefits from a scheme with solvency issues.
	1.5	Analyse the implications of the source of a transfer. <ul style="list-style-type: none"> • DB, DC, PPP, RAC, public sector. • Insolvency risk.
	1.6	Analyse the impact of tax on transfers to and from overseas pension schemes. <ul style="list-style-type: none"> • Qualifying rules. • Tax implications.
	1.7	Explain the workings of block transfers and winding up. <ul style="list-style-type: none"> • Regulatory requirements for overseas customers. • Pension-commencement lump sum. • Reporting requirements. • Notification periods. • Potential conflicts of interest in advising individuals and trustees. • Funding obligations of sponsoring employers.

2. how to apply suitable pension transfer solutions to meet specific client circumstances	2.1	<p>Appraise the implications of moving between different pension scheme types.</p> <ul style="list-style-type: none"> • Personal pensions, USP, ASP / drawdown pension annuities, alternative retirement vehicles, DB schemes, career-average schemes. • Impact on trusts. • Impact on dependants' benefits (PPP). • Death-in-service and disability benefits – pre- and post-transfer.
	2.2	<p>Analyse the implications of cash incentives to leave a defined-benefit scheme.</p> <ul style="list-style-type: none"> • Motivations of employers. • DB schemes. • TVAS reporting.
	2.3	<p>Analyse transitional issues as a result of different forms of protection on pension schemes.</p> <ul style="list-style-type: none"> • Primary and enhanced protection. • Protected transfers. • Pension-commencement lump sum. • Fixed protection.
	2.4	<p>Analyse income options and their impact on a transfer recommendation.</p> <ul style="list-style-type: none"> • Product / solution styles. • Difference between retirement options. • Maximum benefits. • Risk and return. • Analysis of output for types A + B critical yield for drawdown. • Mortality drag. • Flexibility. • Comparison of features and benefits. • Effect of transfer on income drawdown. • Added years' purchase. • Pension increase exchanges.
	2.5	<p>Analyse how pension returns and options are related to a combination of investment risk and capital risk.</p> <ul style="list-style-type: none"> • Inflation and investment returns – nominal and real. • The time value of money. • The impact of varied investment returns. • The appropriateness of indexation, inclusion of dependants' benefits, capital protection on death, and guarantee periods.
	2.6	<p>Analyse financial circumstances and retirement options to meet a client's objectives.</p> <ul style="list-style-type: none"> • Range of client financial circumstances and retirement options to meet objectives. • Impact of financial standing of employer.
	2.7	<p>Apply rules regarding pension transfers and divorce.</p> <ul style="list-style-type: none"> • Shadow benefits in the event of divorce. • Implications of pensions sharing and impact on the transfer. • Issues surrounding pension sharing versus earmarking. • The legal systems in England, Scotland, Northern Ireland and Wales.

	2.8	Justify advice, guidance and recommendations made to a client. <ul style="list-style-type: none">• Communications – oral tone, pitch and pace, use of clear written English, recognition of a client’s physical limitations, audience (family members / other professionals).• Ethical considerations – systemic issues for later-life advice / products and the role of the trusted adviser to the potentially vulnerable.• Topical issues and innovation.
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