The London Institute of Banking & Finance

LIBF Level 6 Diploma in Financial Advice (Adv DipFA®)

Qualification Specification

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Purpose of the qualification

Why study the LIBF Level 6 Diploma in Financial Advice (Adv DipFA®)

The Adv DipFA® builds on existing Level 4 qualifications and equips you with the expertise needed to provide complex financial advice and planning services to customers. Developed in consultation with working professionals in the financial advice sector and feedback from employers, the Level 6 Diploma in Financial Advice enables you to differentiate yourself and develop skills to provide advice for a range of areas.

Completion of the Adv DipFA® can lead to a Chartered Designation awarded by the London Institute of Banking & Finance.

Objectives

To provide the knowledge and skills to offer a sophisticated financial service to customers and to contribute to developing and managing the strategic aims of your organisation.

Key content areas

- The environment of wealth management with a focus on the range of financial products that may be used to develop a client's portfolio which meets their needs and aspirations.
- How a variety of financial products and concepts may be applied to build and consolidate a client's portfolio.
- The current technical language, tools, methods and practices of wealth management, which encompass financial analysis and the preparation and interpretation of financial data for effective decision-making within the context of wealth management.
- Financing arrangements, financial management and the governance structures of wealth management.
- Contemporary theories, empirical evidence and concepts relating to wealth management, and how these apply in a practical work environment.

Qualification learning outcomes

LO	Detail
TTTC	
LO1	Understand how to advise UK clients of taxation implications.
LO2	Understand how to advise UK clients on the administration of trusts.
MANI	
LO1	Understand the principles and theories associated with performance measurement of investments.
LO2	Understand how to manage investment portfolios to achieve client objectives.
PETR	
LO1	Understand regulatory requirements for pension transfers to a retail client.
LO2	Critically analyse the role of a pension transfer specialist when meeting client objectives.
LO3	Understand APTA and TVC and the rights of members pre and post a pension transfer recommendation.
LO4	Analyse the solvency issues of receiving schemes in a range of UK and overseas pension transfer scenarios.
LO5	Analyse cash incentives and transitional protections before recommending a pension transfer.
LO6	Analyse the death benefits of a pension transfer, before and after a benefit crystallisation event.
LO7	Analyse the compliance requirements of a pension transfer for a retail client.
FPIR	
LO1	Understand the need for effective financial planning in retirement.
LO2	Evaluate clients' needs, aims and objectives.
LO3	Evaluate a client's financial position.
LO4	Evaluate and apply suitable financial planning tools.
LO5	Analyse various retirement income options.
LO6	Consider the options for effective later life and IHT planning.
LTCP	
LO1	Understand the background and cost implications of long term care provision in the UK, and the regulator's definition of long term care insurance.
LO2	Understand the responsibilities of the NHS for the provision of health care.
LO3	Understand the responsibilities of a local authority in enabling access to long term care.
LO4	Understand how local authorities make financial assessments for those requiring long term care and any implications for the client.
LO5	Be able to apply means-tested and non means-tested state benefits eligibility in the provision of advice on long term care insurance.
LO6	Be able to apply relevant considerations relating to the adviser and client relationship when advising on long term care.
LO7	Evaluate the taxation and legal issues related to long term care planning.

LO8	Analyse the suitability of arrangements available to fund and maintain a client’s long term care needs and the level of risk they present to the client.
LO9	Identify the eligibility to claim under a long term care insurance contract.
LO10	Evaluate situations that might indicate to an adviser that a client’s long term care provision needs to be reviewed and the consequences of that review.
LO11	Analyse and evaluate clients' needs and demands and recommend suitable and affordable long term care solutions, taking into consideration a client's circumstances.

Key skills developed

The qualification will encourage students to:

- apply theory to the working environment;
- analyse problems, identify solutions and make clear decisions;
- communicate solutions to complex problems in a clear manner; and
- work and study independently.

Entry requirements

Entry to the Adv DipFA® is available to holders of the Level 4 qualifications approved by the FCA for the provision of financial advice. The Adv DipFA® may be undertaken by those qualified to provide a wide range of advice and is not limited to those that advise on ‘packaged products’.

You should also be confident in your ability to study the mathematical elements of the course along with your ability to study in English.

Recognition of prior learning

The London Institute of Banking & Finance 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

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.

Apprenticeships

Adv DipFA® is not currently available through an apprenticeship standard.

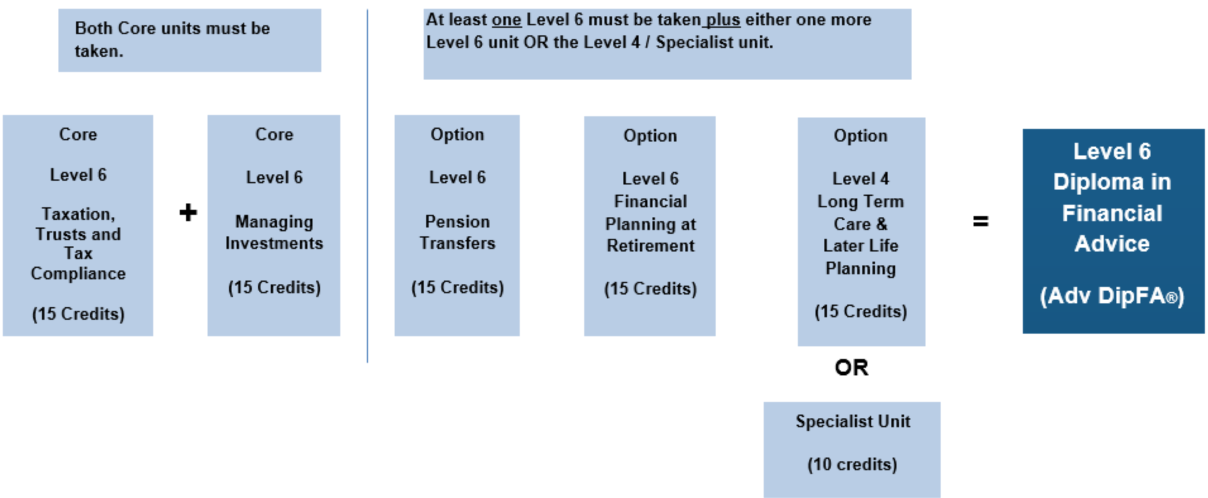
Preparation for employment / professional development

This qualification furthers knowledge and enhances skills that are valued within the financial services sector and others.

Structure

The structure of the Adv DipFA® comprises five units of which **four** units must be completed to achieve the rule of combination (RoC). Taxation, Trusts and Tax Compliance and Managing Investments are core units. The remaining credits can be achieved through study of at least one further Level 6 unit and either the Level 4 Long Term Care & Later Life Planning unit or a Specialist unit. A Specialist unit must be a minimum of Level 4 and carry a minimum of 10 credits and can be based on, but not limited to, any of the following specialist financial advice areas in keeping with the aims of the overall qualification (ie to increase depth of knowledge and increase breadth of specialist knowledge): mortgages, derivatives, securities, business finance and discretionary fund management.

A minimum of 55 credits **must** be attained by completing a combination of the two core units and at least one further Level 6 unit and either LTCP or a Specialist unit.



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:

- GL is time spent studying under the immediate guidance or supervision of a teacher.
- All other hours include hours spent unsupervised in research, learning, e-learning, exam preparation and formal assessments.

Adv DipFA® is primarily considered a distance-learning, session-based qualification. The minimum advised TQT is:

Guided Learning Hours	30 hours
Other hours	520 hours
Total Qualification Time	550 hours

Learning resources

For the compulsory units you are provided with the following learning resources:

- Weekly study guides including tutor-led activities.
- Exemplar papers.
- Chief Examiner Reports.
- Individual feedback on coursework attempts.
- Online access via MyLIBF- www.myLIBF.com to learning materials and to KnowledgeBank (virtual library).
- Unit syllabuses.

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 you studying.

Assessment

Within each unit, all components are mandatory and assessed.

For TTTC, there is a coursework and written examination. The 3-hour examination consists of a mixture of short and long answer questions; an additional 15 minutes reading time is provided. The pass mark for each component is 40%.

For MANI you will be assessed by a video presentation and a 3 hour examination. The examination has an additional 15 minutes reading time. The pass mark for each component is 50%.

For PETR, you will be assessed by a 3 hour 15 minute examination. The pass mark for this assessment is 50%.

For FPIR you will be assessed by your forum contributions, a video presentation and a timed assessment. The pass mark for each component is 50%.

For CertLTCP there is a multiple-choice (MCQs) examination. The examination consists of a combination of standalone MCQs and case studies with attached MCQs and has a pass mark of 70%.

Qualification grading

The overall qualification will be graded pass only.

Individual feedback is provided for coursework. A Chief Examiners' report based on the performance of the whole cohort is available for written examinations.

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

You will only need to resit the assessment you were unsuccessful in.

Appendices

Appendix 1 – Regulation detail

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

Qualification title	LIBF Level 6 Diploma in Financial Advice
Ofqual qualification number	600/6862/0
Qualification level	6
European Qualifications Framework (EQF) level	6
Qualification Type	Other general
Guided learning hours	30
Total qualification time	550
Total credits	55
Sector Subject Area	15.1 Accounting and Finance
Overall grading type	Pass
Assessment methods	Written examination, coursework and presentation
Available in	England
Qualification for ages	19+
Operational start date	1 December 2013
Qualification description	Adv DipFA® consists of five units of which four units must be completed to achieve the rule of combination (RoC). A total credit value of 55 must be obtained for achievement of the qualification.

Appendix 2 – Taxation, Trusts and Tax Compliance (TTTC)

Unit Profile

The unit analyses the different types of tax relating to individuals and trusts and the impact on investment strategies. It also explores the different trust classifications and evaluates which type is appropriate for different situations.

Unit title	Taxation, Trusts and Tax Compliance
Ofqual unit reference number	M/505/9676
Unit level	6
Unit credit value	15
Typical study hours	150

TTTC assessment methodology

The assessment of TTTC will have two components:

Coursework.

Written examination - This component of the examination is to be completed in three hours. An additional 15 minutes reading time is provided before the examination time commences.

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TTTC learning outcomes / assessment criteria

Learning outcomes The learner when awarded credit for this unit will understand:		**Assessment criteria** The learner will be assessed on the following areas:
1. How to advise UK clients of taxation implications.	1.1	**Analyse approaches to personal tax liabilities from a UK taxpayer's perspective.** • The UK taxation system in respect of individuals and trusts. • Residence and domicile. • Taxation implications of foreign income.
	1.2	**Analyse the impact of taxation on investment strategies** • Types of investment or other activities that increase tax-efficiency. • Tax planning measures.
	1.3	**Analyse inheritance taxation strategies.** • Reliefs. • Exempt transfers. • As Lifetime gifts. • Transfer of business assets. • Use of trusts.
	1.4	**Critically evaluate current issues in personal taxation.** • Anti-avoidance legislation. • Legal considerations and the role of the trusted adviser. • Social and corporate responsibility. • Communicating with HMRC. • The scope of philanthropic investment and the extent to which the client is involved in the scheme.
	1.5	**Justify advice given to clients focusing on ethical considerations.** • Legal considerations and the role of the trusted adviser. • Social and corporate responsibility. • Communicating with HMRC. • Scope of philanthropic investment and the extent to which the client is involved in the scheme.
2. How to advise UK clients on the administration of trusts	2.1	**Analyse trust classifications.** • The law of trusts.

		• Statutory trusts, express trusts, implied / resulting trusts, constructive trusts, public / private trusts, fixed-interest trusts, discretionary trusts.
	2.2	**Analyse the duties and powers of trustees.** • Role, eligibility, and appointment and removal of trustees. • Powers of trustees. • General and fiduciary duties of trustees.
	2.3	**Critically evaluate trust accounts for composition and valuation.** • The principal trusts for which accounting is required. • The principles of accounting for trust and distribution statements. • How trustees and personal representatives should value assets.
	2.4	**Evaluate tax compliance for trusts.** • CGT, IHT, lifetime transfers, reliefs. • The tax trust regime. • Capital taxation and penalties.
	2.5	**Apply regulation and legislation to trustees.** • Interpretations of statutes. • EU legislation. • International legislation and regulatory framework.

Appendix 3 – Managing Investments (MANI)

Unit Profile

The unit analyses the principles and theories associated with performance measurement of investments and how regulated FCA RDR QCF Level 4 financial advisers can manage investment portfolios to achieve client objectives.

This course focusses on the regulations for financial advice firms and financial advisers advising on collective investment schemes. This module is not appropriate for those seeking a license to practice for selling individual securities (e.g. stockbroker) or managing a fund on a day-to-day basis (e.g. fund managers).

Unit title	Managing Investments
Ofqual unit reference number	K/505/9675
Unit level	6
Unit credit value	15
Typical study hours	150

MANI assessment methodology

The assessment of MANI will have two components:

Video presentation - Learners will record a short response to a client's query. This will be based on a case study that will have been provided in advance worth 30% of the final mark.

Examination - Consisting of:

- 10 multiple choice questions assessing investment calculations.
- Four 10 mark short answer questions.
- A case study assessed by two 15-mark questions and one 20 mark question.

All assessment criteria is open to being assessed. The examination is worth 70% of the final mark. The examination is to be completed in three hours. An additional 15 minutes reading time is provided.

The pass mark is 50%.

MANI learning outcomes / assessment criteria

Learning outcomes The learner when awarded credit for this unit will understand:		**Assessment criteria** The learner will be assessed on the following areas:
1. the principles and theories associated with performance measurement of investments	1.1	**Analyse economic indicators that can impact on investment management.** • Supply and demand. • Costs. • Economies and diseconomies of scale. • Perfect competition, monopoly and oligopoly. • Sector / industry assessment methods. • Inequality of information.
	1.2	**Analyse how risk is related to return.** • Inflation and investment returns – nominal and real. • The effect of compound interest. • The time value of money. • Risks of investing in foreign and emerging markets. • Asset class correlation.
	1.3	**Critically evaluate portfolio theory.** • Portfolio styles and theory – CAPM, diversification, hedging, use of derivatives. • Asset class correlation. • Total return – beta, alpha and risk-adjusted. • Behavioural finance – market and individual behaviours.
	1.4	**Critically evaluate the approaches to, and principles of, performance measurement.** • Total return. • Money and time-weighted returns. • Benchmarking and relative performance. • Risk-adjusted returns. • Attribution analysis. • Actual v relative performance.

	1.5	**Apply the principles of financial mathematics, indices, data and regression.** • Simple and compound interest. • Present and future value calculations. • Internal rate of return. • The application of indices in financial markets.
	1.6	**Analyse and interpret financial analysis and information sources.** • The law of trusts. • Periodic reporting by issuers. • Ad hoc announcements. • News services – RNS, PIPS and SIPS. • Investment research and sales notes. • Financial journalism. • Transparency obligations of shareholders.
	1.7	**Analyse, interpret and compare ratio analysis.** • Earnings / dividends per share. • Price / earnings ratio. • Earnings before interest, taxes, depreciation and amortization (EBITDA). • Return on capital employed (ROCE). • Quick ratio.
2. how to manage investment portfolios to achieve client objectives	2.1	**Critically evaluate variables that establish and restrict how a client's investment portfolio objectives may be achieved.** • Assessing the client's current investment portfolio. • Establishing and clarifying client objectives and income requirements. • Identifying and confirming the client's attitude to risk.
	2.2	**Critically evaluate the performance, risk profile and correlation of investment types that may contribute to an investment portfolio.** • Equities, bonds, derivatives, foreign exchange, real estate, currencies / cash, hedge funds, pooled investments, platforms. • Alternative investment vehicles – penny shares, CFDs, enterprise investment schemes, venture capital trusts.
	2.3	**Analyse the tax implications of investment products.** • Derivatives. • Hedge funds. • Absolute return funds. • Structured products. • With-profits funds.

	2.4	**Analyse the appropriateness of discretionary and non-discretionary portfolio management.** • Contractual and regulatory differences between discretionary and non-discretionary portfolio management. • Reporting requirements. • Understanding of mandates and limits of authority. • Fiduciary responsibilities according to portfolio management style.
	2.5	**Critically compare financial ratios.** • Earnings per share and dividends per share. • Price / earnings ratio, EBITDA, ROCE and quick ratio.
	2.6	**Justify the approach taken in meeting client objectives.** • Communication approaches and client reporting. • Building a persuasive case. • Conflicts of interest and ethics.
	2.7	**Apply regulation and legislation for the financial adviser firm and the role of the financial adviser advising on collective investments.** • Regulatory restrictions. • Review and control.

Appendix 4 – 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

Typed Examination

Part 1: 20 Multiple-choice questions.

Part 2: Three 10-mark questions.

Part 3: Focussed on a Pre-Release Case Study – 50 marks.

The examination is 3 hours with 15 minutes reading time.

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

PETR learning outcomes / assessment criteria

Learning outcomes The learner when awarded credit for this unit will understand:		**Assessment criteria** The learner will be assessed on the following areas:
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.** • Understand the FCA's pension definitions.
	1.2	**Understand legislative and regulatory requirements in relation to conversions and transfers of pension benefits.** Understand: • s.48 Pensions Scheme Act 2015; • The Pensions Scheme Act 2015; • statutory rights to transfer; and • Treating Customers Fairly.
	1.3	**Understand the Financial Conduct Authority and The Pensions Regulator Rules.** Understand: • 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; and 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.** • Understand roles and responsibilities of those involved in the pension transfer process including impartial guidance services. • Understand the purpose of the Ombudsman services. • 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.** • 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.** • 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.** Understand: • 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.
	3.2	**Understand APTA and TVC.** Understand: • 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; and • communicating APTA and TVC to clients.
	3.3	**Understand the application of rules regarding pension transfers and relationships.** Understand: • Shadow benefits in the event of divorce and ending of civil partnerships; • implications of pension sharing and impact on the transfer; and • issues surrounding pension sharing versus attachment orders.
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.** Understand: • 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; and • comparing PPF benefit levels with DC benefits and risks.

	4.2	**Understand transfers abroad (to and from overseas schemes).** Understand: • Qualifying rules; • legislative and FCA requirements for overseas customers and the parties involved, including regulated individuals in the UK and overseas; and • obtaining necessary information from overseas advisers.
	4.3	**Analyse the fundamentals of workings of block transfers and winding up.** Analyse: • Protection of tax-free cash and protected retirement ages; and • reporting requirements.
	4.4	**Analyse the different types of pension arrangements.** Analyse: • 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; and • benefit crystallisation options.
5. Analyse cash incentives and transitional protections before recommending a pension transfer.	5.1	**Analyse the implications of cash incentives to leave a defined benefit scheme, including enhanced transfer value exercises.** Analyse: • Implications of cash incentives to leave a defined benefit scheme; • impact on APTA and TVC and way in which pension transfer is reported; • motivation of employers to offer such incentives; and • risks of streamlining advice when providing personal recommendations.
	5.2	**Analyse transitional protection arrangements.** Analyse: • Transitional protection arrangements (primary & enhanced) protection; • protected transfers; and • protected tax-free cash and retirement ages.

	5.3	**Analyse APTA: Income options and death benefits and their impact on the transfer recommendation.** Analyse: • The difference between retirement options relative to 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; and • 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.** Analyse: • Inflation and investment returns – nominal and real; • risks associated with each retirement option; • the appropriateness of indexation; • the probabilities in relation to dependents' benefits; and • capital protection on death.
	6.2	**Analyse the advantages and disadvantages of a transfer.** Analyse: • Analyse the advantages and disadvantages of a transfer; and • a range of APTA transfer circumstances, including a TVC, to support the analysis.
Analyse the compliance requirements of a pension transfer for a retail client.	7.1	**Analyse financial circumstances and retirement options.** Analyse: • Analyse and interpret a range of financial circumstances and retirement options in order to prepare personal recommendations which meet suitability requirements; and • consider how the personal recommendation fits with the FCA view that giving up safeguarded benefits will not be suitable.
	7.2	**Apply suitable pension transfer solutions to specific client circumstances.** Apply: • Suitable pension transfer solutions in a range of given circumstance; and • demonstration of the principles of best practice and reinforcing the Know Your Customer (KYC) process.

Appendix 5 – Level 6 Financial Planning in Retirement

Unit Profile

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

Unit title	Level 6 Financial Planning in Retirement
Ofqual unit reference number	
Unit level	6
Unit credit value	15
Typical study hours	150

FPIR assessment methodology

Forum Contributions

Learners are required to contribute to activities assigned to them during their course of study, posting their responses in the forum. An allocated tutor will review the forum discussions and mark against predetermined criteria. This will contribute 20% towards the final mark.

Video Presentation

Learners will record a short recorded response to a clients query. This will be based on a case study that will have been provided in advance. This will contribute 30% towards the final mark.

Timed Assessment

Learners will be provided with a pre-released case study 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. This will contribute 50% towards the final mark.

The pass mark for all assessment components is 50%.

The structure of the assessment ensures that all learning outcomes are subject to external assessment.

FPIR learning outcomes / assessment criteria

Learning outcomes The learner when awarded credit for this unit will understand:		**Assessment criteria** The learner will be assessed on the following areas:
1. Understand the need for effective financial planning in retirement	1.1	**Describe expenditure needs at retirement and beyond** • Client types • Expenditure patterns • Changes to expenditure needs during retirement
	1.2	**Identify the different sources of retirement income and capital** • Pension benefits from defined benefit schemes • Pension benefits from defined contribution schemes • Income from non-pension sources such as investments/property • Income from continued employment or self-employment • State pension and other financial support • Investment risk in retirement
	1.3	**Describe the current legislation and regulation applying to pensions** • Pension flexibility • State pension changes • The Pension Regulator • Bankruptcy and pensions
	1.4	**Understand when pension income can be accessed** • Rules on accessing funds including the pension commencement lump sum • Impact of the Money Purchase Annual Allowance • Death benefits
2. Evaluate clients' needs, aims and objectives	2.1	**Evaluate client's key personal and financial information** • Retirement planning process • Gathering an understanding of assets, liabilities, dependants

	2.2	**Identify a client's key retirement aspirations** • Income projections • Capital projections • Impact of inflation • Attitude to risk and capacity for loss in retirement
3. Evaluate a client's financial position	3.1	**Understand and evaluate the client's income and expenditure** Earned income Investment income State benefits Committed expenditure Discretionary expenditure
	3.2	**Analyse a client's capital provision** Assets Liabilities Factors in the analysis of assets/liabilities
	3.3	**Evaluate any shortfall in retirement provision** • Reviewing existing pension provision • Switching • State pension shortfalls – Class 3 National Insurance contributions
	3.4	**Describe the tax treatment of different income options** Taxation of pension income Taxation of savings and dividend income Taxation of Life assurance bonds Taxation of property income/ Rent a room Lifetime allowance, Money Purchase Annual Allowance, Tapered Annual Allowance Tax relief on pensions/Threshold income Adjusted income
4. Evaluate and apply suitable financial planning tools	4.1	**Identify suitable financial planning tools** • Modelling for retirement

	4.2	**Demonstrate knowledge of cash flow, risk profiling and asset allocation tools** • Cash flow modelling including income/expenditure, longevity, and inflation • Risk profiling • Asset allocation principles and tools and the benefits/limitations • ESG and ethical investments
5. 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** • Pension commencement lump sum • Uncrystallised funds pension lump sum • Trivial computation and small pots • Secured pension income/annuity options • Flexible pension income options • Flexi-access and capped drawdown • Retirement annuity contracts • Effective reviews
	5.2	**Evaluate and apply knowledge of other pension income options** • Phased retirement using flexi-access drawdown • Phased retirement using uncrystallised funds pension lump sums • Phased retirement using pension commencement lump sums • Phased retirement using regular lifetime annuity purchase
	5.3	**Understand and apply other non-pension investment strategy** • Investing in equities and bonds • Collectives • Using property in retirement (BTL and Equity release) • Venture Capital Trusts and Enterprise Investment Schemes

	5.4	**Understand investment risk during decumulation** • Cash flow modelling • Life expectancy • Stress testing cash flow modelling • Inflation • Sequencing risk • The safe withdrawal rate
6. Consider the options for effective later life and IHT planning	6.1	Understand later life planning considerations as part of the retirement strategy • Later-life planning considerations – Family involvement • Vulnerable clients
	6.2	Describe the considerations an adviser should regarding long-term care and mental incapacity • Long-term care options • Mental incapacity - Power of attorney
	6.3	Understand estate planning considerations as part of the retirement strategy • Wills and intestacy • Asset Protection Trusts • IHT reliefs • Pension death benefits • Estate planning

Appendix 6 – Certificate in Long Term Care and Later Life Planning (CertLTCP)

Unit Profile

The unit analyses how to develop later life strategies for UK clients.

Unit title	Long Term Care and Later Life Planning
Ofqual unit reference number	J/617/1510
Unit level	4
Unit credit value	15
Typical study hours	150

CertLTCP assessment methodology

A multiple-choice question (MCQs) examination. The examination consists of a combination of standalone MCQs and case studies with attached MCQs.

To achieve an overall pass, you must achieve a minimum mark of 70%.

CertLTCP learning outcomes / assessment criteria

Learning outcomes The learner when awarded credit for this unit will understand:		**Assessment criteria** The learner will be assessed on the following areas:
1. Understand the background and cost implications of long term care provision in the UK, and the regulator's definition of long term care insurance.	1.1	Definition of long term care insurance.
	1.2	Differences between pre-funded insurance and immediate needs.
	1.3	Background to current provision in UK.
	1.4	How care is delivered and the cost implications to the client.
	1.5	Levels of client dependency.
	1.6	Types of care and cost implications: care in own home, residential care, private sector, voluntary sector.
	1.7	Standards of care and the Care Quality Commission.
2. Interpret the responsibilities of the NHS for the provision of health care.	2.1	Legal responsibility of the NHS.
	2.2	Eligibility criteria and assessment for continuing care & NHS funded care.
	2.3	The National Framework.
3. Identify the responsibilities of a local authority in enabling access to long term care.	3.1	Assessments of client care needs.
	3.2	Delivery of care: Domiciliary / Residential.
	3.3	The impact of legislation and case law relevant to long term care as applies in England, N. Ireland, Wales and Scotland.
	3.4	Local authority and state provision.
	3.5	Department of Health guidelines.
	3.6	Funding levels including National variations.
4. Evaluate how local authorities make financial assessments for those requiring long term care and any implications for the client.	4.1	Domiciliary care / Residential care.
	4.2	Charging Residential Accommodation Guidelines; CRAG.
	4.3	Notional capital.
	4.4	Beneficial ownership of capital.
	4.5	Capital disregard.

	4.6	Charging procedures and implications for the client.
	4.7	Treatment of the client's home.
5. Be able to apply means-tested and non means-tested state benefits eligibility in the provision of advice on long term care insurance.	5.1	Means-tested benefits including Pension Credit.
	5.2	Non means-tested benefits.
	5.3	Access and application processes.
6. Identify relevant considerations relating to the adviser and client relationship when advising on long term care.	6.1	Identifying from whom to take and receive instruction.
	6.2	Legal capacity of the client.
	6.3	Vulnerable clients.
	6.4	Substituted decision making.
	6.5	Confidentiality; data protection.
	6.6	Extent of family involvement and potential conflicts of family interests.
	6.7	Access to medical records.
7. Evaluate the taxation and legal issues related to long term care planning.	7.1	Tax position of premiums.
	7.2	Tax position of payments of benefits.
	7.3	IHT considerations and estate planning.
	7.4	Impact of future changes in client's tax position.
	7.5	Will/intestacy.
	7.6	Deeds of variation.
	7.7	Use of trusts.
8. Analyse the suitability of arrangements available to fund and maintain a client's long term care needs and the level of risk they present to the client.	8.1	Stand alone pre-funded LTC insurance with life cover.
	8.2	LTC bonds.
	8.3	Insurance – underwriting considerations; morbidity and mortality.
	8.4	Equity release including lifetime mortgages and home reversion plans.
	8.5	Savings and investments.
	8.6	Pensions.
	8.7	Immediate needs annuities.
9. Identify the eligibility to claim under a long term care insurance contract.	9.1	ADL definitions.
	9.2	Cognitive impairment.
	9.3	Assessment of ADL failure.

	9.4	Assistive devices.
	9.5	Making the claim.
10. Evaluate situations that might indicate to an adviser that a client's long term care provision needs to be reviewed and the consequences of that review.	10.1	Changes in personal circumstances.
	10.2	Change in need, including partial claim (ADL criteria).
	10.3	Change of client's mental capacity.
	10.4	Changes in taxation, legislative framework, investment conditions and inflation.
11. Interpret and evaluate clients' needs and demands and recommend suitable and affordable long term care solutions, taking into consideration a client's circumstances.	11.1	Gather and analyse client information, providing suitable client recommendations; ethical considerations.