

**The London Institute
of Banking & Finance**

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 LIBF Level 6 Pension Transfers (PETR) 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

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.

Qualification learning outcomes

LO	Detail
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.

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 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.

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:

- online access to the core learning materials
- multimedia learning tools with activities
- access to KnowledgeBank (e-library) through MyLIBF
- specimen assessment material
- tutor support via an online forum

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

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.

This component has a 100% weighting.

Qualification grading

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

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

Re-sit attempts

If you fail your assessment you are able to pay to re-register. There are no restrictions on the number of times you can re-register.

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
Operational start date	01 March 2015
Available in	England
Qualification for ages	19+
Sector subject area	15. Business, Administration, Finance and Law
Sub SSA	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	Typed examination; MCQ's
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 learning outcomes / assessment criteria

Unit learning outcomes / assessment criteria

Learning outcome (LO) The learner will:	Assessment criteria (AC) The learner can:
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. 1.2 Understand legislative and regulatory requirements in relation to conversions and transfers of pension benefits. 1.3 Understand the Financial Conduct Authority and The Pensions Regulator Rules.

<p>2. Critically analyse the role of a pension transfer specialist when meeting client objectives.</p>	<p>2.1 Critically analyse the main parties involved in a pension transfer. 2.2 Evaluate the role of the pension transfer specialist. 2.3 Evaluate how to establish and meet client objectives.</p>
<p>3. Understand APTA and TVC and the rights of members pre and post a pension transfer recommendation.</p>	<p>3.1 Understand the rights and options of leavers. 3.2 Understand APTA and TVC. 3.3 Understand the application of rules regarding pension transfers and relationships.</p>
<p>4. Analyse the solvency issues of receiving schemes in a range of UK and overseas pension transfer scenarios.</p>	<p>4.1 Understand schemes with solvency issues. 4.2 Understand transfers abroad (to and from overseas schemes). 4.3 Analyse the fundamentals of workings of block transfers and winding up. 4.4 Analyse the different types of pension arrangements.</p>
<p>5. Analyse cash incentives and transitional protections before recommending a pension transfer.</p>	<p>5.1 Analyse the implications of cash incentives to leave a defined benefit scheme, including enhanced transfer value exercises. 5.2 Analyse transitional protection arrangements. 5.3 Analyse APTA: Income options and death benefits and their impact on the transfer recommendation.</p>
<p>6. Analyse the death benefits of a pension transfer – before and after a benefit crystallisation event.</p>	<p>6.1 Analyse how income options and death benefits are related to a combination of investment risk, economic risk and mortality risk. 6.2 Analyse the advantages and disadvantages of a transfer.</p>
<p>7. Analyse the compliance requirements of a pension transfer for a retail client.</p>	<p>7.1 Analyse financial circumstances and retirement options. 7.2 Apply suitable pension transfer solutions to specific client circumstances.</p>

Unit syllabus (indicative content)

UNIT 1 SYLLABUS	
LOs / ACs	
LO1:	Understand regulatory requirements for pension transfers to a retail client.
AC1.1	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.
AC1.2	Understand legislative and regulatory requirements in relation to conversions and transfers of pension benefits. Understand: <ul style="list-style-type: none"> s.48 Pensions Scheme Act 2015; The Pensions Scheme Act 2015; statutory rights to transfer; and Treating Customers Fairly.
AC1.3	Understand the Financial Conduct Authority and The Pensions Regulator Rules. Understand: <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; and pension scams.
LO2:	Critically analyse the role of a pension transfer specialist when meeting client objectives.
AC2.1	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. 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.
AC2.2	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.

	<ul style="list-style-type: none"> • Evaluate safeguarded benefits. • Understand Pension transfer advice implementation and review.
AC2.3	<p>Evaluate how to establish and meet client objectives.</p> <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.
LO3:	Understand APTA and TVC and the rights of members pre and post a pension transfer recommendation.
AC 3.1	<p>Understand the rights and options of leavers.</p> <p>Understand:</p> <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.
AC 3.2	<p>Understand APTA and TVC.</p> <p>Understand:</p> <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; and • communicating APTA and TVC to clients.
AC 3.3	<p>Understand the application of rules regarding pension transfers and relationships.</p> <p>Understand:</p> <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; and • issues surrounding pension sharing versus attachment orders.
LO4:	Analyse the solvency issues of receiving schemes in a range of UK and overseas pension transfer scenarios.
AC4.1	<p>Understand schemes with solvency issues.</p> <p>Understand:</p> <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; and • comparing PPF benefit levels with DC benefits and risks.
AC 4.2	<p>Understand transfers abroad (to and from overseas schemes).</p> <p>Understand:</p> <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; and

	<ul style="list-style-type: none"> obtaining necessary information from overseas advisers.
AC 4.3	<p>Analyse the fundamentals of workings of block transfers and winding up.</p> <p>Analyse:</p> <ul style="list-style-type: none"> Protection of tax-free cash and protected retirement ages; and reporting requirements.
AC 4.4	<p>Analyse the different types of pension arrangements.</p> <p>Analyse:</p> <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; and benefit crystallisation options.
LO5:	Analyse cash incentives and transitional protections before recommending a pension transfer.
AC5.1	<p>Analyse the implications of cash incentives to leave a defined benefit scheme, including enhanced transfer value exercises.</p> <p>Analyse:</p> <ul style="list-style-type: none"> 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.
AC5.2	<p>Analyse transitional protection arrangements.</p> <p>Analyse:</p> <ul style="list-style-type: none"> Transitional protection arrangements (primary & enhanced) protection; protected transfers; and protected tax-free cash and retirement ages.
AC5.3	<p>Analyse APTA: Income options and death benefits and their impact on the transfer recommendation.</p> <p>Analyse:</p> <ul style="list-style-type: none"> 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.
LO6:	Analyse the death benefits of a pension transfer – before and after a benefit crystallisation event.
AC6.1	<p>Analyse how income options and death benefits are related to a combination of investment risk, economic risk and mortality risk.</p> <p>Analyse:</p> <ul style="list-style-type: none"> Inflation and investment returns – nominal and real; risks associated with each retirement option;

	<ul style="list-style-type: none"> • the appropriateness of indexation; • the probabilities in relation to dependents' benefits; and • capital protection on death.
AC 6.2	<p>Analyse the advantages and disadvantages of a transfer.</p> <p>Analyse:</p> <ul style="list-style-type: none"> • Analyse the advantages and disadvantages of a transfer; and • a range of APTA transfer circumstances, including a TVC, to support the analysis.
LO7:	Analyse the compliance requirements of a pension transfer for a retail client.
AC7.1	<p>Analyse financial circumstances and retirement options.</p> <p>Analyse:</p> <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; and • consider how the personal recommendation fits with the FCA view that giving up safeguarded benefits will not be suitable.
AC7.2	<p>Apply suitable pension transfer solutions to specific client circumstances.</p> <p>Apply:</p> <ul style="list-style-type: none"> • 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.