

# **QFA Pensions Practice Case Studies and Guidance**

## Case Studies – QFA Pensions Module:

1. Earned Income, replacing it
2. Personal Pension Contracts
3. Employer Pension Schemes
4. Taxation
5. Post Retirement Planning
6. Pension Adjustment Orders
7. Transfers – the rules
8. Advice Process

### 1. Completing the Case Studies

There are **8 Work Based Case Studies** for the QFA Pensions module. Apprentices should choose any **5 Case Studies** from those on offer. Each one must be completed, marked and submitted by the specified deadline.

As far as possible, apprentices are expected to research within their own organisation (with guidance from their supervisor), cases, documents, policy wordings or other materials that can be applied to the assignments.

As for the previous modules, the apprentice must complete the tasks in the specified format. This may, for example, involve writing a short report in MS Word, a PowerPoint presentation or presenting information in a table. Brief guidance notes are included to ensure clarity about what the apprentice needs to do, and what the supervisor should look for when marking the work.

### 2. The role of the supervisor

The completed case studies will be submitted to and signed off by the nominated Supervisors. A case study marking form is attached in **Appendix 1** for completion and sign off for each case study. For more information about this, please refer to the Guide to Case Studies.

The role of the supervisor is to:

- help the apprentices to locate or create suitable case files, work-based materials or other sources of information
- assess each apprentice's completed case study (on a pass or fail basis)

### 3. Deadlines for submitting the case studies

QFA Life Assurance Practice Module Submission Deadline:	
1	11 <sup>th</sup> October 2024
2	25 <sup>th</sup> October 2024
3	8 <sup>th</sup> November, 2024
4	22 <sup>nd</sup> November 2024
5	6 <sup>th</sup> December 2024

**Remember:** these are the final deadlines for uploading the marked case studies to Moodle.

Apprentices and supervisors should agree an appropriate schedule for discussing, completing and marking the questions to ensure that these deadlines are met. Forward planning is essential – see section 4 below.

#### 4. Forward planning

Issuing the case studies in advance allows plenty of time for the apprentices and supervisors to meet the submission deadlines. It also gives adequate notice of any cases and documents that need to be sourced for or by the apprentices.

This table provides a brief summary of what is needed for each of the case studies:

	Topic	Resources
1	Earned Income, Replacing it	Textbook
2	Personal Pension contracts	Textbook and <a href="https://www.pensionsauthority.ie">https://www.pensionsauthority.ie</a>
3	Employer Pension Schemes	Textbook and <a href="https://www.pensionsauthority.ie">https://www.pensionsauthority.ie</a>
4	Taxation	Textbook
5	Post Retirement Planning	Textbook
6	Pension Adjustment Orders	Textbook and <a href="https://www.pensionsauthority.ie">https://www.pensionsauthority.ie</a>
7	Transfers – the rules	Textbook
8	Advice Process	Textbook

Where a case file is required, this may be a paper or a digital record. [Personal details from the files should never be included in any of the case study submissions.](#)

#### 5. A reminder about copying and plagiarism:

Plagiarism is copying the words or ideas of others and passing it off as your own, and is a most serious academic offence.

All sources that you use must be referenced within your text and in your bibliography.

The case study submissions will be checked for plagiarism.

It does not matter whether you use direct quotations or paraphrase the words of an author, you must reference your source. Failure to do so may result in a zero mark or other disciplinary action under IT Sligo procedures.

The School of Business uses the Harvard Referencing system.

#### 6. Advice on Data Protection:

Employers and supervisors must ensure that all work-based learning activities comply with the relevant Data Protection legislation and any other legal/regulatory requirements on an ongoing basis. This may, for example, include anonymising or changing the name, addresses and other personal or sensitive information in case files and other resources.

Any information taken from real cases/files is intended for use only in the answering the topic questions.

### **Topic 1: Earned Income; Replacing it**

1a) List the four different pillars of Retirement Provision

1b) What is the limit on tax-free lump sums which can be taken by an individual from all pension arrangements?

2a) List the three conditions to be satisfied in order to be eligible for an Invalidity Pension.

2b) Explain the difference between a “contributory pension” and a “non contributory pension”

#### **Guidance Notes**

Your answers should be based on the relevant points in chapter 2 of the textbook.

### **Topic 2: Personal Pension arrangements**

1a) A 45-year-old client has asked you for advice in relation to making the maximum pension contribution before 31<sup>st</sup> October 2023, he work as a self-employed Builder, earning €137,000 in 2022. Briefly outline in an email the type of Pension contract they should consider taking out and explain to him how much, tax relief is provided on the pension contribution.

#### **Guidance Notes**

A brief answer is required; (max 300 words).

1b) Different charges can apply to RAC and PRSA contracts. Explain what is meant by the following terms:

- Contribution charge of 3.5%
- Annual Fund management charge 1%
- Early Encashment charge 5%, 4%, 3%, 2%, 1%.

### **Topic 3: Employer Pension Schemes**

1a) [https://www.pensionsauthority.ie/en/Calculators/Pension\\_Calculator/](https://www.pensionsauthority.ie/en/Calculators/Pension_Calculator/)

Have a look at the Pensions calculator and run through some simulations:

Current age: 36 years  
Current Salary; €70,000  
Intended Retirement age: 68  
Target pension as a % of pre-retirement salary: 50%  
Are you currently in a pension scheme: NO

Current age: 48 years  
Current Salary; €46,000  
Intended Retirement age: 68  
Target pension as a % of pre-retirement salary: 60%  
Are you currently in a pension scheme: NO

1b) Explain to a potential client by email how to work out the maximum approved Defined Contribution fund that is allowable on voluntary early retirement.

Guidance Notes

The material is contained in chapter 4; Your points can be brief and should not exceed 300 words.

Q2) IORPS II governance was implemented on the 21<sup>st</sup> of April 2021; outline four of the main governance requirements applying to a scheme.

Q3) A client of yours is enquiring about Employer pension schemes and is confused about when retirement benefits can be taken from a scheme. Can you send them a memo outlining when benefits can be taken on ill health, voluntary early retirement, and normal retirement age.

Guidance Notes

The material is contained in chapter 4; Your points can be brief and should not exceed 300 words.

**Topic 4: Taxation**

1a) What is your understanding of the following definitions in relation to Taxation issues?

Schedule F?  
BCE Declaration?  
Recovery of Chargeable Excess Tax?

1b) A client is confused about Standard rate bands and Tax Credits; can you explain to them the difference between the two terms and how each one works. Use an example to help illustrate the point.

Guidance Notes

The material is contained in chapter 8.

**Topic 5: Post retirement planning**

Q1a) A 70-year-old widowed client comes to you enquiring about purchasing an Annuity with their residual Pension fund; set out three pros and cons that they should consider when making their decision.

Q1b) What 5 factors influence an Annuity rate offered?

2) A local 'Active Retirement' co-ordinator has asked for your help with some lingo he has heard being used by retirees; He is looking for a very brief explanation of the follow terms; Can you explain in your own words what these mean?

- Guaranteed period?
- Imputed Distribution? Is it 4% or 5%?
- Longevity Risk?
- Bomb out Risk with an Approved Retirement Fund product?

Guidance Notes

The material is contained in chapter 9 &10.

**Topic 6: Pension Adjustment Orders**

Q1) Your friend has asked you for a bit of advice; He has recently split up with his wife of 5 years. He does not have any pension benefits, but his wife was a member of her employers defined contribution scheme. He has heard the term NIL Pension Adjustment Order (PAO). In your own words can you explain to him what a NIL PAO is?

*Guidance Notes:*

The material is contained in Chapter 7; however please use your own words. Max 300 words.

Q2) After her recent Judicial separation; your friend has secured the following PAO.

Relevant period: 1<sup>st</sup> January 2005 to 31<sup>st</sup> December 2021

Relevant percentage: 40%

Her Ex-Husband is a member of a Defined Contribution scheme; She is considering leaving the benefits in his scheme. Can you briefly explain to her two advantages and disadvantage of taking a Transfer Value/Splitting.

*Guidance Notes:*

The material is contained in Chapter 7; Max 300 words.

Q2b)

[https://www.pensionsauthority.ie/en/LifeCycle/Pensions\\_on\\_separation\\_and\\_divorce/](https://www.pensionsauthority.ie/en/LifeCycle/Pensions_on_separation_and_divorce/)

[https://www.pensionsauthority.ie/en/lifecycle/pensions\\_on\\_separation\\_and\\_divorce/pensions\\_on\\_separation\\_and\\_divorce\\_checklist.pdf](https://www.pensionsauthority.ie/en/lifecycle/pensions_on_separation_and_divorce/pensions_on_separation_and_divorce_checklist.pdf)

Look at this section on [www.pensionsauthority.ie](http://www.pensionsauthority.ie) for some further information.

**Topic 7: The world of Transfers**

Q1a) Clients can find it difficult to understand the rules surrounding Pension transfers in Ireland. If you were to make three improvements to this area – what would they be? Max 3 brief points required.

*Guidance Notes:*

There is no right or wrong answer; your own opinion is what counts.

Q2a) A friend of yours recently worked as a self-employed architect and was paying into a Personal Pension for several years. She also has an old PRSA worth €300,000. She has now joined a large firm which has an employer pension scheme. She was considering amalgamating her pensions by just having one fund with her Employer scheme. Can you send her a brief email outlining the best way to achieve her objective.

Q2b) Referring to 2a); When thinking of transferring and amalgamating benefits there are many factors that must be considered; just because you can, does not mean you should. Can you set out some points that one should consider when thinking of amalgamating or transferring pensions?

*Guidance Notes:*

The material is contained in Chapter 5. Please keep your answers brief. (Max 300 words).

### **Topic 8: Advice Process**

Q1a) Your colleague is due to meet a potential pension client and in advance of the meeting they have asked for your help in sending the client an email explaining the 4-step process involved in quantifying their Retirement income shortfall.

Q1b) In your opinion why is it important to use **consistent assumptions** when identifying and quantifying the retirement income shortfall?

*Guidance Notes:*

The material is contained in Chapter 14. Please keep your answers brief. (Max 300 words).

Q2) As an advisor, you will have appointments with vulnerable consumers and need to know how to identify a personal consumer who is a vulnerable consumer. Outline the three categories of vulnerable consumers giving examples of some vulnerabilities that might exist.

Q3 Under the Consumer Protection Code, a written statement must be prepared before providing or arranging an investment product.

If you were to prepare a Statement of Suitability for a client that is looking at an ARF investment; Under the section which includes the recommendation of product type and how it meets the client's needs; can you briefly outline three reasons why an ARF might be suitable for providing a replacement income in retirement.

*Guidance Notes:*

The material is contained in Chapter 10 and 14. Please keep your answers brief. (Max 300 words).



## Appendix 1:

### Case Study Marking Form

#### CASE STUDY MARKING FORM



Case Study No.

Topic No.  Topic Title  Insurance Module

Learning Outcome:

**To be completed by the Apprentice:**

I confirm that all the work on the case study is my own work.

Signed ----- (Apprentice) Date -----

Apprentice Student Number \_\_\_\_\_

**To be completed by the Supervisor:**

Checklist (please circle pass or fail as appropriate):

Attempt 1	Attempt 2	Attempt 3
Pass/Fail	Pass/Fail	Pass/Fail

PRINT Name: \_\_\_\_\_ (Supervisor)

Signed ----- (Supervisor) Date -----