

Level 4 Diploma for Financial Advisers (DipFA[®])

Qualification Specification



CONTENTS

| | | Page |
|-----|---|------|
| 1. | Accreditation information | 3 |
| 2. | Descriptors | 4 |
| 3. | Learning hours | 4 |
| 4. | Aims of the DipFA [®] | 5 |
| 5. | Learning outcomes for the DipFA [®] | 6 |
| 6. | Objectives of the DipFA [®] | 7 |
| 7. | Structure of the DipFA [®] | 8 |
| 8. | Apprenticeships | 8 |
| 9. | Entry requirements | 8 |
| 10. | Methods of study | 8 |
| 11. | Assessment methodology of the DipFA [®] | 9 |
| 12. | Grading | 9 |
| 13. | Assessment resits | 9 |
| 14. | Learning resources | 10 |
| 15. | 15.1 - Unit 1 specification | 10 |
| | 15.2 - Unit 1 learning outcomes / assessment criteria | 11 |
| | 15.3 - Unit 1 assessment methodology | 12 |
| 16. | 16.1 - Unit 2 specification | 13 |
| | 16.2 - Unit 2 learning outcomes / assessment criteria | 13 |
| | 16.3 - Unit 2 assessment methodology | 19 |

1. Accreditation information

| | |
|--|---|
| Ofqual qualification number | 501 / 0114 / 6 |
| Qualification level | 4 |
| Regulation start date | 1 August 2010 |
| Operational start date | 1 August 2010 |
| Offered in | England, Wales and Northern Ireland |
| Assessment available in English | Yes |
| Assessment available in Welsh | No |
| Assessment available in Irish | No |
| Sector subject area | 15.1 Accounting and Finance |
| Purpose | Confirm occupational competence and / or 'licence to practise'. |
| Sub-purpose | Confirm the ability to meet a 'licence to practise' or other legal requirements made by the relevant sector, professional or industry body. |
| Total credits | 40 |
| Min credits at / above level | 40 |
| Minimum guided learning hours | 370 (400 learning hours in total) |
| Maximum guided learning hours | 370 |
| Overall grading type | Pass |
| Assessment methods | Coursework, e-assessment, multiple-choice examination |
| Qualification description | Learners must complete both units in order to achieve the Diploma for Financial Advisers. A total credit value of 40 must be obtained for achievement of the qualification. |
| Age ranges | Pre-16: No 16–18: No 18+: No 19+: Yes |

2. Table 1 Level 4 level descriptors

| DESCRIPTION | |
|------------------------------------|--|
| SUMMARY | Achievement at Level 4 reflects the ability to identify and use relevant understanding, methods and skills to address problems that are well defined but complex and non-routine. It includes taking responsibility for overall courses of action as well as exercising autonomy and judgement within fairly broad parameters. It also reflects understanding of different perspectives or approaches within an area of study or work. |
| KNOWLEDGE AND UNDERSTANDING | <p>Use practical, theoretical or technical understanding to address problems that are well defined but complex and non-routine.</p> <p>Analyse, interpret and evaluate relevant information and ideas.</p> <p>Be aware of the nature and approximate scope of the area of study or work.</p> <p>Have an informed awareness of different perspectives or approaches within the area of study or work.</p> |
| APPLICATION AND ACTION | <p>Address problems that are complex and non-routine while normally fairly well defined.</p> <p>Identify, adapt and use appropriate investigation to inform actions.</p> <p>Initiate and use appropriate investigation to inform actions.</p> <p>Review the effectiveness and appropriateness of methods, actions and results.</p> |
| AUTONOMY AND ACCOUNTABILITY | <p>Take responsibility for courses of action, including where relevant, responsibility for the work of others.</p> <p>Exercise autonomy and judgement within broad but generally well-defined parameters.</p> |

3. Learning Hours

3.1 The current recommended learning hours are 400.

4. Aims of the DipFA[®]

4.1 The aims of the DipFA[®] are to:

- i. provide you with a challenging qualification covering the core and extended disciplines of financial advice;
- ii. enable you to examine issues relating to financial advice;
- iii. enable you to apply specialised, current knowledge of financial products and finance concepts and theories;
- iv. enable you to make informed and confident decisions regarding advice for your clients;
- v. provide you with the tools and terminology necessary to analyse the financial products that support your clients' needs, wants and aspirations;
- vi. encourage you to reflect on and engage in academic debate on issues relevant to financial advice;
- vii. provide you with the opportunity to evaluate the impact of the changing regulatory and operating environment, technical changes, and risk management on issues relating to financial advice;
- viii. support your understanding of ethics and wider environmental issues as applicable to financial advice;
- ix. enable you to explore the relationship between individuals and financial services products and the range of economic, legal, regulatory and social factors that affect financial advice;
- x. familiarise yourself with the links between theory and practice;
- xi. enable you to explore recent developments in financial services products;
- xii. enhance your ability to become autonomous and self-directed and enable you to manage your own professional development; and,
- xiii. provide opportunities for you to develop the necessary skills and competencies to move on to further study or employment.

5. Learning outcomes for the DipFA[®]

5.1 Knowledge and understanding elements of the DipFA[®] will provide you with the ability to explain and analyse the:

- i. the environment of the financial services market with a focus on the range of protection and investment products which meet your clients' needs and aspirations;
- ii. how a variety of financial services products and concepts may be applied to your clients' requirements;
- iii. the current technical language, tools, methods and practices of financial advice to enable effective financial decision-making for your clients;
- iv. contemporary theories and concepts relating to financial advice and their practical application; and,
- v. the financial services market and its need to respond to the constantly changing economic, legal and regulatory environment.

5.2 Subject-specific practical / professional elements of the DipFA[®] will provide you with the skills to:

- i. use appropriate tools (software and IT eg Excel) and methods to conduct meaningful research from the creation, extraction and analysis of data and information from financial sources;
- ii. analyse financial data and information, products and services and reflect upon their desirability and effectiveness; and,
- iii. understand how financial products respond to the drivers and implications of changes in the wider environment and how these changes affect financial decision-making.

5.3 Intellectual skills developed by the DipFA[®] will provide you with the ability to:

- i. locate, extract and analyse data from different financial sources;
- ii. apply higher-level cognitive skills of reflective practice, including analysis, synthesis and evaluation;
- iii. demonstrate numeracy skills, including the ability to manipulate financial and other numerical data;
- iv. utilise problem-solving and decision-making skills;
- v. critically evaluate data and information; and,

- vi. understand the interrelationships between the various subject disciplines and assimilate these coherently to provide effective solutions.

5.4 Transferable skills and personal qualities developed by the DipFA[®] will provide you with the ability to:

- i. use appropriate data and information from a range of sources;
- ii. critically articulate concepts and arguments with clarity, conciseness and rigour using appropriate data and information;
- iii. learn independently and enhance skills of self-reflection, criticality and self-managed study;
- iv. structure and communicate ideas logically and coherently; and,
- v. use appropriate communication and information technology skills.

6. Objectives of the DipFA[®]

6.1 On completion of the DipFA[®] qualification, you will be able to:

- i. understand the structure of the UK financial services industry and its role in serving the consumer;
- ii. understand financial services regulation, the FCA's approach and the legal responsibilities of regulated advisers;
- iii. understand the essential concepts and importance of risk;
- iv. understand the role and relevance of the UK taxation system in relation to individuals, investments and trusts;
- v. understand ethical behaviour and the FCA's principles-based approach;
- vi. understand the Code of Ethics and professional standards;
- vii. understand the characteristics, performance and behaviours of investment products and the impact of risk on investment performance;
- viii. understand financial protection planning, income protection, life assurance and insurance-based protection policies;
- ix. formulate and communicate holistic financial advice;
- x. create, implement and maintain financial plans.

- xi. The London Institute of Banking & Finance is a leading provider of qualifications recognised by the Financial Conduct Authority as being appropriate for certain regulated functions. However it is your responsibility to be aware of and adhere to any additional regulatory requirements associated with these roles as set out in the FCA Handbook. Please refer to the Financial Conduct Authority for further information.

6.2 As well as developing knowledge, the DipFA[®] assists in the development of the core communication skills that are an essential requirement for giving advice effectively. You will be able to:

- i. formulate appropriate responses to resolve defined and abstract problems;
- ii. convey complex information clearly, concisely and accurately;
- iii. structure information, options and recommendations in a clear and logical order;
- iv. explain and fully justify recommendations in language appropriate to the client;
- v. explain and demonstrate understanding of the monetary and financial system.

7. Structure of the DipFA[®]

7.1 DipFA[®] is made up of **two mandatory units** which need to be successfully completed to achieve the qualification.

- i. **Unit 1:** Financial Services, Regulation and Ethics (11 credits / 100 GLH)
- ii. **Unit 2:** Advanced Financial Advice (29 credits / 270 GLH)

8. Apprenticeships

8.1 DipFA appears in the Financial Adviser Apprenticeship Standards. Further details can be found on the [Gov website](#).

9. Entry requirements

9.1 There are no specified entry requirements.

9.2 DipFA[®] is equivalent to a first year degree programme.

10. Methods of study

- 10.1 DipFA[®] is delivered via distance learning.
- 10.2 It offers a flexible and integrated approach to learning and assessment.
- 10.3 Materials and additional information are available by access to MyLIBF- www.myLIBF.com

11. Assessment methodology of the DipFA[®]

- 11.1 DipFA[®] is assessed using multiple choice and written assessments made up of the following components:
 - i. multiple-choice questions: 100 x 1 mark for each correct answer;
 - ii. coursework consisting of a Main Task and three short answer questions; and,
 - iii. pre-release fact find requiring essay response in the examination.
- 11.2 A total of 350 marks are available across both units.

12. Grading

- 12.1 Unit 1 is graded with fail / pass. To achieve a pass, you must achieve a score of 70%. Unit related feedback is: 0 – 69 fail, 70 – 79 pass, 80 – 89 merit, 90 – 100 distinction.
- 12.2 Unit 2 is graded with pass / fail only. To achieve a pass, you must achieve a minimum score of 50% in the coursework and 50% in the examination.

13. Assessment resits

- 13.1 There are no restrictions on the number of times you can resit a unit in which you were unsuccessful.
- 13.2 You must resit the unit in accordance with the published The London Institute of Banking & Finance policies.

14. Learning resources

14.1 You will be provided with the following learning resources:

- i. online access via MyLIBF to learning materials, including activities to help consolidate learning, and to KnowledgeBank (virtual library);
- ii. unit syllabuses;
- iii. access to online tutor forum;
- iv. specimen papers and exemplars; and,
- v. Chief Examiner's reports.

15. Unit 1 – Financial Services, Regulation and Ethics (FSRE)

15.1 Unit 1 specification

| | |
|-------------------------------------|---|
| Unit title | Unit 1: Financial Services Regulation and Ethics (FSRE) |
| Ofqual unit reference number | Y / 601 / 280 |
| Unit level | 4 |
| Guided learning hours | 100 |
| Unit credit value | 11 |
| Unit aims | <ol style="list-style-type: none">i. This unit introduces knowledge and understanding of financial institutions to enable you to identify the different types of service that they provide;ii. It explains the functions and importance of the main components of the monetary and financial system;iii. It enables you to recognise and appreciate the influences on the financial institutions and markets including financial intermediation and disintermediation;iv. It introduces the concept and nature of risk and factors to the advice process for financial advice.v. It enables you to demonstrate knowledge and understanding of the FCA's approach to ethical and unethical behaviours and develop understanding of the Code of Ethics. |

15.2 Unit 1 learning outcomes / assessment criteria

| Learning outcome (LO) The learner when awarded credit for this unit will: | Assessment criteria (AC) Assessment of the LOs will require a learner to demonstrate that they can: |
|--|---|
| 1. Understand the UK financial services industry, in its European and global context. | 1.1 describe the role and structure of the UK and international markets 1.2 describe the role of Government 1.3 explain the function and operation of financial services within the wider economy 1.4 explain the impact of the EU on UK regulation |
| 2. Understand how the retail consumer is served by the financial services industry. | 2.1 explain industry obligations towards consumers 2.2 identify consumers' perception of financial services 2.3 identify consumers' financial needs and how they are prioritised 2.4 explain how consumers' financial needs are met |
| 3. Understand the regulation of financial services. | 3.1 describe the role of the FCA, HM Treasury and the Bank of England 3.2 describe the role of other regulating bodies 3.3 interpret the Financial Services and Market Act (FSMA) and other relevant legislation 3.4 describe the role of EU regulations and directives |
| 4. Understand the FCA's responsibilities and approach to regulation. | 4.1 identify the FCA's statutory objectives and the regulatory processes 4.2 interpret the main principles and rules of the FCA handbook |
| 5. Understand the principles and rules as set out in the regulatory framework. | 5.1 apply the FCA Conduct of Business Sourcebook principles and rules 5.2 apply the rules and practices of anti-money laundering and proceeds of crime obligations 5.3 apply the principles and rules of the Data Protection Act 5.4 explain the complaints procedures and analyse the roles of the FOS and FSCS 5.5 apply the FCA principles and rules relating to client relationships and adviser responsibilities |
| 6. Understand the legal concepts relevant to financial advice. | 6.1 describe the roles of the legal persons and powers of attorney 6.2 explain the basic law of contract and agency 6.3 describe ownership of property 6.4 explain the impact of insolvency and bankruptcy 6.5 explain intestacy and the use of wills 6.6 identify the main types of trusts and their uses 6.7 explain the process of creating and administering trusts |

| Learning outcome (LO) The learner when awarded credit for this unit will: | Assessment criteria (AC) Assessment of the LOs will require a learner to demonstrate that they can: |
|---|--|
| 7. Understand the different types of risk and how they relate to institutions and individuals. | 7.1 Interpret legislative, regulatory and organisational requirements and procedures relevant to earnings. 7.2 Apply the key features of income tax and National Insurance |
| 8. Understand the skills required when advising clients. | 8.1 Evaluate lifelong financial planning through the various life stages |
| 9. Understand the FCA's principles based approach to promote ethical behaviour | 9.1 analyse The Principles for Businesses 9.2 identify corporate culture and leadership 9.3 identify the role of approved persons 9.4 evaluate the need for integrity, competence and fair outcomes for clients |
| 10. Understand the Code of Ethics and professional standards | 10.1 apply the over-arching Code of Ethics 10.2 apply the professional principles and values 10.3 identify ethical dilemmas and the steps involved in managing these |
| 11. Understand the differences between ethical and unethical behaviour | 11.1 evaluate typical behavioural indicators – positive and negative 11.2 evaluate the outcomes of ethical and unethical behaviour for the industry, the firm, individual advisers and consumers |

15.3 Unit 1 assessment methodology

- i. The assessment of Unit 1 has one component:
 - a. 100 multiple-choice questions. This component of the examination is to be completed in two hours. This component of the examination is worth 100 marks.

16. Unit 2 – Advanced Financial Advice (AFA)

16.1 Unit 2 specification

| | |
|-------------------------------------|---|
| Unit title | Unit 2: Advanced Financial Advice (AFA) |
| Ofqual unit reference number | F / 601 / 2808 |
| Unit level | 4 |
| Guided learning hours | 270 |
| Unit credit value | 29 |
| Unit aims | <ul style="list-style-type: none"> i. This unit concentrates on the commercial and regulatory environment, products, services and legislation that inform the financial advice process. ii. You will consider the importance of consumer oriented communication and ethical behaviours through the practical application of accumulated knowledge and skills through the advice process. iii. You will gain an understanding of the personal approaches that individuals take towards risk and rewards and the impact of foreseen and unforeseen influences. iv. You will understand the features of different types of financial services product, and how to make informed choices about these products. v. You will consider the validity of data and information as a means of assisting in the financial decision-making process. |

16.2 Unit 2 Learning Outcomes / Assessment Criteria

| LEARNING OUTCOME THE STUDENT WILL: | ASSESSMENT CRITERIA THE STUDENT CAN: |
|--|---|
| 1. Understand the UK taxation system in relation to individuals and trusts. | 1.1 Explain the features and impact of income tax. 1.2 Explain the features and impact of National Insurance Contributions (NICs). 1.3 Explain the features and impact of capital gains tax (CGT). 1.4 Explain the features and impact of inheritance tax (IHT). 1.5 Differentiate the tax status of residence and domicile. 1.6 Explain the main tax compliance criteria. 1.7 Explain the features and impact of stamp duty. |

| LEARNING OUTCOME THE STUDENT WILL: | ASSESSMENT CRITERIA THE STUDENT CAN: |
|---|--|
| | 1.8 Explain the features of value added tax (VAT) and corporation tax. |
| 2. Understand taxation of investments in relation to individuals and trusts. | 2.1 Explain the features of direct investment. 2.2 Explain the features of indirect investment. |
| 3. Understand the role and relevance of taxation in the financial affairs of individuals and trusts. | 3.1 Assess the impact of taxes on individuals, trusts and their investments. 3.2 Identify the key principles of income tax planning. 3.3 Evaluate the main uses of lifetime gifts and trusts in IHT mitigation. |
| 4. Understand personal taxation in relation to investment advice. | 4.1 Perform ordinary tax computation. 4.2 Explain essential tax planning recommendation. |
| 5. Understand the macroeconomic environment and its impact on asset classes. | 5.1 Discuss the main long-term UK and global socio-economic trends. 5.2 Discuss world economics and globalisation of markets. 5.3 Identify economic and financial cycles. 5.4 Explain the significance of monetary and fiscal policy. 5.5 Discuss the relevance of money, inflation, deflation, interest rates and exchange rates. 5.6 Discuss the balance of payments and international capital flows. 5.7 Explain the role of financial investment in the economy. |
| 6. Understand the main characteristics and behaviours of asset classes. | 6.1 Explain the main types and features of cash and cash equivalents. 6.2 Explain the main types and features of fixed interest securities. 6.3 Explain the main types and features of equities. 6.4 Explain the main types and features of property. 6.5 Explain the main types and features of alternative investments. 6.6 Explain the concepts of pricing, liquidity and fair value. 6.7 Analyse the correlation of asset classes and their relevance to asset allocation. |
| 7. Understand the merits and limitations of the main investment theories. | 7.1 Discuss the key features of the main investment theories. 7.2 Explain the basics of behavioural finance. 7.3 Explain the portfolio theory, diversification and hedging. |
| 8. Understand the principles of the time value of money. | 8.1 Explain compound interest and discounting. 8.2 Define real returns and nominal returns. |

| LEARNING OUTCOME THE STUDENT WILL: | ASSESSMENT CRITERIA THE STUDENT CAN: |
|---|--|
| 9. Understand the nature and impact of the main types of risk on investment performance. | 9.1 Analyse the risks relating to liquidity and access. 9.2 Evaluate the risks relating to income and capital growth. 9.3 Explain short-term investment volatility. 9.4 Analyse long-term investment performance. 9.5 Analyse the risks relating to gearing. 9.6 Explain currency risks. 9.7 Explain inflation and interest rates risks. 9.8 Explain systematic and non-systematic risks. |
| 10. Understand the characteristics and behaviours of investment products. | 10.1 Discuss the main types and uses of indirect investment products. 10.2 Describe the main types, uses and structure of derivatives. 10.3 Describe the main types, uses and structure of investment-strategy-based products. 10.4 Analyse the advantages and disadvantages of direct investment compared with indirect investment. |
| 11. Understand the principles of investment planning. | 11.1 Interpret stochastic modelling. 11.2 Explain tactical and strategic asset allocation. 11.3 Apply the principles of portfolio construction. 11.4 Analyse the use of wraps and other platforms. |
| 12. Understand the investment advice process. | 12.1 Apply the principles of 'know your client' requirements. 12.2 Perform client-specific asset allocation. |
| 13. Understand the performance of investments. | 13.1 Analyse portfolio performance. 13.2 Perform portfolio reviews and administration. |
| 14. Understand the areas of need for financial protection planning. | 14.1 Identify personal and family income and capital protection needs. 14.2 Describe the relationships between insurance and assets and liabilities. 14.3 Identify business protection needs. |
| 15. Understand the consumer and retail market factors and trends relevant to financial protection. | 15.1 Explain the role of insurance in mitigating personal financial risk. 15.2 Discuss consumer attitudes and behaviours to protection. 15.3 Discuss health, employment and product trends. |
| 16. Understand the main sources of financial protection. | 16.1 Explain the main sources of financial protection. |
| 17. Understand the role and | 17.1 Explain the range and limitations of state benefits. |

| LEARNING OUTCOME THE STUDENT WILL: | ASSESSMENT CRITERIA THE STUDENT CAN: |
|--|---|
| limitations of state benefits for financial protection. | 17.2 Describe the mortgage repayment support. 17.3 Analyse the impact of state benefits on financial planning. |
| 18. Understand the range and application of life assurance policies to meet financial protection needs. | 18.1 Compare the advantage and disadvantages of the different types of protection policy. 18.2 Describe the cost and premium calculation factors. 18.3 Explain the legal requirements, ownership and use of trusts. 18.4. Explain underwriting and the claim process. 18.5 Explain the main policy options. |
| 19. Understand taxation treatment of life assurance and pension-based policies. | 19.1 Describe the treatment of qualifying policies, non-qualifying policies and offshore policies. 19.2 Analyse the impact of income tax on life assurance and pension-based policies. 19.3 Analyse the impact of capital gains tax (CGT) on life assurance and pension-based policies. 19.4 Analyse the impact of inheritance tax (IHT) on life assurance and pension-based policies. |
| 20. Understand the range and application of income protection insurance. | 20.1 Evaluate the advantages and disadvantages of the different types of policy. 20.2 Describe policy definitions, exclusions and premium calculation factors. 20.3 Explain underwriting and the claims process. 20.4 Explain the taxation treatment. 20.5 Describe the structure and nature of group policies. |
| 21. Understand the range and applications of critical illness insurance. | 21.1 Evaluate the advantages and disadvantages of the different types of policy. 21.2 Summarise the market developments for critical illness insurance. 21.3 Describe policy definitions, exclusions and premium calculation factors. 21.4 Explain underwriting and the claims process. 21.5 Explain the taxation treatment and use of trusts for critical illness policies. 21.6 Describe the structure and nature of group policies. |
| 22. Understand the range and application of long-term care insurance. | 22.1 Discuss the political environment, social care policy and national factors. 22.2 Explain the regulatory environment. 22.3 Explain the main product types and features. 22.4 Evaluate the factors involved in long-term care planning. |

| LEARNING OUTCOME THE STUDENT WILL: | ASSESSMENT CRITERIA THE STUDENT CAN: |
|---|---|
| 23. Understand the main features of other insurance based protection policies. | <p>23.1 Discuss the features and benefits of personal accident and sickness insurance.</p> <p>23.2 Discuss the features and benefits of private and medical insurance, hospital plans and dental insurance.</p> <p>23.3 Discuss the features and benefits of payment protection insurance.</p> |
| 24. Understand the needs and priorities in selecting appropriate financial protection solutions. | <p>24.1 Assess priorities, risks and choices in selecting financial protection.</p> <p>24.2 Assess the current and future capital and income needs.</p> <p>24.3 Evaluate the suitability of product types and options.</p> <p>24.4 Identify other planning considerations.</p> <p>24.5 Explain the importance of regular reviews.</p> |
| 25. Understand the political, economic and social environmental factors which provide the context for pensions planning. | <p>25.1 Discuss the role of government in the context of pension planning.</p> <p>25.2 Identify corporate responsibilities, challenges and impact on pension provision.</p> <p>25.3 Explain demographic trends.</p> <p>25.4 Explain the incentives, disincentives and attitudes to saving.</p> <p>25.5 Describe the main scheme types and methods on pension provision.</p> |
| 26. Understand how the HMRC taxation regime applies to pensions planning. | <p>26.1 Explain the tax treatment of contributions to registered pension schemes.</p> <p>26.2 Describe the tax treatment of pension scheme investment funds.</p> <p>26.3 Explain death benefits before and after crystallisation.</p> <p>26.4 Describe pension scheme retirement benefits.</p> <p>26.5 Explain the annual allowance, lifetime allowance, special annual allowance and associated charges.</p> <p>26.6 Describe the tax treatment of other scheme types.</p> |
| 27. Understand the relevant aspects of pensions law and regulation to pensions planning. | <p>27.1 Explain the role of the Pensions Regulator and the compliance requirements.</p> <p>27.2 Describe the pension protection schemes.</p> <p>27.3 Explain trust and contract-based pensions.</p> <p>27.4 Explain the role and duties of trustees and administrators.</p> <p>27.5 Discuss the impact of divorce on pensions.</p> <p>27.6 Explain employment and bankruptcy law in relation to pensions planning.</p> |
| 28. Understand the structure, relevance and application | <p>28.1 Describe basic state retirement benefits.</p> <p>28.2 Describe additional state retirement benefits, historic and</p> |

| LEARNING OUTCOME THE STUDENT WILL: | ASSESSMENT CRITERIA THE STUDENT CAN: |
|--|--|
| of the state schemes to an individual's pension planning. | <p>current.</p> <p>28.3 Discuss contracting in / out considerations.</p> <p>28.4 Explain the Pension Credit framework.</p> |
| <p>29. Understand the structure, characteristics and application of defined-benefit (DB) schemes to an individual's pension planning.</p> | <p>29.1 Describe the main attributes and benefits of DB pension provision.</p> <p>29.2 Define the main types, variations and hybrids.</p> <p>29.3 Explain the rules and operations of DB schemes.</p> <p>29.4 Describe funding methods and issues.</p> <p>29.5 Explain the roles of trustees and other parties, and scheme reporting.</p> <p>29.6 Explain the factors and benefits on leaving the scheme and on early and normal retirement.</p> <p>29.7 Explain transfer issues and considerations.</p> <p>29.8 Describe the benefits on ill health and death.</p> <p>29.9 Explain eligibility criteria and top-up options.</p> <p>29.10 Explain the scheme options, limitations and restrictions.</p> <p>29.11 Describe public sector schemes.</p> |
| <p>30. Understand the range of defined-contribution (DC) scheme options as they apply to an individual's pension planning.</p> | <p>30.1 Explain the main attributes and benefits of DC pension provision.</p> <p>30.2 Explain the legal bases for schemes and the main impacts.</p> <p>30.3 Define the main types of DC schemes and their rules and operation.</p> <p>30.4 Explain contributions – methods and issues.</p> <p>30.5 Evaluate contracting out, rebates and the contracting-out decision.</p> <p>30.6 Explain the benefits on leaving and death before crystallisation.</p> <p>30.7 Explain the scheme options, limitations and restrictions.</p> <p>30.8 Analyse crystallisation options and transfer issues.</p> <p>30.9 Describe stakeholder pensions and personal accounts.</p> |
| <p>31. Understand the options and factors to consider for drawing pension benefits.</p> | <p>31.1 Evaluate state retirement benefits.</p> <p>31.2 Analyse DB schemes.</p> <p>31.3 Explain DC schemes and their main features.</p> <p>31.4 Analyse phased retirement.</p> <p>31.5 Evaluate timing of decisions and implementation.</p> <p>31.6 Explain triviality rules.</p> |
| <p>32. Understand the aims and objectives of retirement planning including the</p> | <p>32.1 Assess and quantify retirement aims and objectives.</p> <p>32.2 Evaluate the investment available.</p> |

| LEARNING OUTCOME THE STUDENT WILL: | ASSESSMENT CRITERIA THE STUDENT CAN: |
|--|--|
| investment issues. | 32.3 Analyse asset allocation factors and their relationship to the overall portfolio. 32.4 Describe the main characteristics of self investment. 32.5 Compare alternative solutions for pension income. 32.6 Analyse factors affecting regular reviews. |
| 33. Understand the process of gathering client information for holistic financial planning. | 33.1 Analyse clients' situations and identify gaps in information. 33.2 Synthesise the range of client information. 33.3 Identify subjective and objective factors. 33.4 Evaluate clients' needs, wants and values. 33.5 Analyse and utilise risk-profiling tools. 33.6 Identify any ethical dilemmas and discuss the steps involved in managing these. |
| 34. Formulate and communicate holistic financial advice. | 34.1 Analyse clients' situations and provide financial planning to achieve objectives. 34.2 Explain and justify recommendations. 34.3 Communicate financial planning effectively to the target audience. 34.4 Communicate any ethical considerations effectively to the target audience. |
| 35. Create, implement and maintain financial plans. | 35.1 Create and implement financial plans. 35.2 Review and revise the effectiveness of plans and adapt to changes. 35.3 Evaluate ethical considerations within the review process. |

16.3 Unit 2 assessment methodology

- i. The Unit 2 has two components:
 - a. Coursework with a Main Task of 4,000 words and three short answer questions.
 - b. A three hour written examination based on a pre-released fact find.