



Defined Contribution Arrangements

Assignment 1

(Part 1 – Defined Contribution Scheme and System Design)

Recommended Time: 3 hours

1. You act as Secretary to the Trustees of a trust-based DC scheme. A newly elected Member Nominated Trustee (MNT) has contacted you and is keen to learn the various areas of legislation that have impacted the design of DC schemes. Draft a memo responding to the MNT's query.

30 marks

2. Describe the key features of the Single Tier State Pension and the changes to the State Pension Age introduced by the Pensions Act 2014.

15 marks

3. Summarise the main features of Automatic Enrolment.

10 marks

4. Explain some of the potential drawbacks and benefits of individuals having real-time access to their member records.

15 marks

5. You are the Pensions Manager of XYZ Ltd who runs a bundled DC scheme. You have been contacted by a member of the XYZ Ltd Pension Scheme who has asked you to explain the difference between a bundled arrangement and an unbundled arrangement. Write a letter responding to the member's query.

20 marks

6. The chair of trustees for the XYZ scheme has emailed you to ask for information on Straight Through Processing (STP). Set out some short notes explaining the process and how the adoption of STP could improve the administration process.

10 marks