

Reward and Retirement Provision

Mock Examination

(Recommended Time: 3 hours)

1. Briefly outline some of the typical contract of employment implications of a flexible benefit arrangement.
5 marks

2. As the company's benefit consultant, prepare a paper for the HR Director explaining how an income protection policy operates.

Your paper should also cover:
 - The design features of an insured policy
 - The cost to the employer
 - The taxation of benefits and contributions

3. Your company operates a successful share option scheme for all employees. As Pay and Compensation Manager, prepare a report for consideration by the company's Board of Directors to introduce an approved executive share option scheme.
35 marks

Your report should cover the reasons for introducing such a plan, its main features and how it would operate.
20 marks

4. Your company is considering the closure of one of its offices. This may mean that all staff in that office would be made redundant. As the benefits manager, draft an email to the finance director giving a brief explanation of the requirement to make redundancy payments and pay during the notice period.
20 marks

5. Outline the key stages of a communication strategy for flexible benefits.
10 marks

6. Explain the tax considerations of a flexible benefit arrangement.
10 marks