

PMI Level 3 Certificate in Pension Trusteeship (Defined Contribution and Defined Benefit Schemes)

Qualification Specification

About PMI

Founded in 1976, the Pensions Management Institute (PMI) is the UK's largest and most recognisable professional body for employee benefit and retirement savings professionals, supporting over 6,500 members in 32 countries.

PMI's members, represented throughout the UK, are responsible for managing and advising some of the largest institutions in the world accounting for £1trillion invested in pensions. We promote excellence through a range of services for the benefit of members, the wider economy and with over six million now saving as a result of automatic enrolment, society as a whole.

The purpose of the Institute is "To set and promote standards of excellence and lifelong learning for employee benefits and retirement savings professionals and trustees through qualifications, membership and ongoing support services".

To achieve this, the PMI:

- Promotes and embeds professional standards, setting the benchmarks for best practice in the employee benefits and retirement savings industry
- Produces qualifications that have a reputation for excellence and ensure that employee benefits and retirement savings professionals, whether they are scheme managers, consultants, administrators or trustees, are educated to the very highest standards and the latest legislation
- Provides continued lifelong learning designed to strengthen the knowledge and skills of employee benefit and retirement savings practitioners in performing to the best of their ability
- Plays a pivotal role shaping the industry, working with government and collaborating with other bodies on research and thought leadership on key issues
- Presents an annual conference and a wide range of technical seminars from entry-level to those for highly experienced professionals
- Provides industry-leading insight, including PMI News, PMI TV, newsletters and blogs to keep practitioners abreast of the very latest developments in a rapidly changing industry
- Proactively has a voice in mainstream and social media with a presence on Twitter and LinkedIn

PMI Qualifications

The PMI is the UK's leading professional body for those working in the field of employee benefits and retirement savings. It supports and develops the experts who are responsible for running the UK's pensions industry and is acknowledged as the body for establishing, maintaining and improving professional standards in every area of pension scheme management, consultancy and trusteeship.

PMI qualifications are recognised for both their depth and their standing within the industry. If you choose a single unit, standalone qualification, or a multi-unit qualification over a number of years, it is recognised by the Pensions Industry as having the depth and rigour to demonstrate the knowledge and expertise of those taking them.

SYLLABUSES

Each syllabus area is presented in a form which is intended to give an indication of the depth and breadth of knowledge which is required. Each syllabus area is divided into sections with an initial statement, or learning outcome, indicating what is expected of learners and some notes in italics which give an indication of the way in which the initial statement should be interpreted.

The initial statement and notes use key words in heavy type to indicate the depth and/or breadth of knowledge which is required. The key words should be interpreted as follows:

analyse – interpret and examine in detail
define – make clear the exact meaning
demonstrate - explain or prove by reasoning/example
describe - give a detailed account of
distinguish - mark the difference between
evaluate – determine the value
explain - make clear or intelligible; illustrate the meaning of
identify - demonstrate what something is
outline - brief general explanation; summary without detail
understand - comprehend; have a thorough knowledge of

This is then further broken down into Assessment Criteria. Assessment Criteria are descriptive statements that provide learners and instructors with information about the qualities, characteristics, and aspects of a given learning task. Fundamentally, they specify clearly the standards that must be met and what evidence will be used to show achievement of learning outcomes

SUPPORT AND RECOGNITION

These qualifications have been developed with the support of centres who are currently delivering qualifications at this level, or who plan to do so in the future, and from the Industry bodies that support Pension Trustees in the United Kingdom.

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QUALIFICATION AIM

To provide formal recognition of a trustee's knowledge and understanding (TKU) in-line with the requirements of the Pensions Act 2004, and for enhancing their leadership/managerial skills in the pensions sector.

REGULATION

This qualification is currently going through the regulation process with Ofqual.

QUALIFICATION LEVEL

This qualification has been benchmarked at Level 3 in the National Framework.

PREREQUISITES

PMI Level 3 Certificate in Pension Trusteeship aims to give those people wishing to become trustees in the profession a starting point for their studies. This qualification is also suitable for those who have been practising within the sector but who have not yet obtained a formal qualification.

Learners must have obtained one of the following:

- Three GCSE passes (at 'C' level standard). PMI will consider higher qualifications (A level) to be a sufficient entry standard.
- A level 2 qualification, or above, as shown on the regulated qualifications framework of the United Kingdom or overseas qualifications, as judged by UK NARIC, to be equivalent in standard to a level 2 qualification in the UK (or higher). Such qualifications should contain a similar number of learning hours to that of the Level 3 Certificate in Pension Trusteeship. PMI will consider each application on a case by case basis.

However, we would anticipate most learners would be working in the field and/or undertaking the role of trustee, and should a learner possess no such qualification, PMI will consider the employment status and history of a learner's knowledge, in lieu of qualifications. In such cases, a signed reference letter from employers' must accompany each application.

All learners must also provide evidence of proficiency in the English Language. In this case it is:

- IELTS 5.0 for the Design pathway (with a minimum of 4.5 in any one skill) or
- B1 (or its equivalent)

QUALIFICATION OVERVIEW

Structure of the PMI Level 3 Certificate in Pension Trusteeship (RQF)

Unit number	Mandatory core unit	Unit level	Unit credit
1	Pension Trusteeship	3	6
2	Soft Skills	3	8

This qualification comprises of two mandatory units.

Unit 1 covers three separate areas.

- Law and pensions overview
- Investment and funding issues for defined contribution and defined benefit pensions
- Scheme management issues for defined contribution and defined benefit pensions

Which form 7 separate Learning outcomes. This unit can be taken as a standalone unit and will be certificated as the Award in Pension Trusteeship.

Unit 2 covers the 'soft skills' and is designed to assess the 'other Professional Trustee skills and behaviours' associated with professional trusteeship. Its Content covers four key areas of:

- Leadership and Communications
- Problem Solving and Decision Making
- Negotiation and Conflict Management
- Critical Thinking

Further details on assessment can be found in the relevant Guidance and Test specification.

RECOMMENDED STUDY TIME

This is also known as Total Qualification Time (TQT).

TQT is a measure required by Ofqual the qualifications regulator and is comprised of:

- Guided Learning Hours (GLH). This means time spent being taught by an instructor (and not necessarily face to face); and
- Study Time. This means self-study/revision/reading

Guided learning hours (GLH)	6 (to include revision courses)	
Self-study (SS)	116	
Formative Assessment	0	Total Assessment Time (TAT) 1 Hour
Summative Assessment	3	
Total Qualification Time	125 Hours (GLH+SS+TAT)	

The above estimates are based on evidence we have gathered from users of our qualifications, past experience and benchmarking exercises. The evidence we have gathered indicates that there is considerable variation within the overall TQT estimates as blended approaches are common with differing mixes of Guided Learning and other elements which contribute to TQT. These estimates are reviewed regularly.

FEES

Fees for the qualification and exam can be found on the PMI website.

LINKS WITH OTHER QUALIFICATIONS AND PROGRESSION

Whilst this has no direct route of progression into other Trustee qualifications, Unit 1 can be taken as a single unit qualification and will be certificated as the Award in Pension Trusteeship.

MEMBERSHIP ENTITLEMENT

Learners completing the qualification successfully will receive complimentary Trustee Group Membership until the end of the year in which they entered. Please note that the membership year runs from 1 January to 31 December.

Alternatively, learners undertaking the qualification may, if they wish, become Student Members of the PMI.

RECOGNITION OF PRIOR LEARNING (RPL)

If already taken then the Award in Pension Trusteeship will be accepted as recognition of prior learning for this qualification.

Please refer to the PMI's policy on the Recognition of Prior Learning to determine whether previously achieved qualifications meet PMI's policy on possible exemptions.

ASSESSMENT

The qualification will be assessed by a multiple-choice exam of 60 questions, lasting 90 minutes for each unit.

ASSESSMENT CRITERIA

The assessment criteria describe the requirements a learner is expected to meet in order to demonstrate that the learning outcome has been achieved. Command verbs reflect the level of the qualification.

GUIDANCE ON ASSESSMENT

Where a unit is to be assessed by multiple choice questions, PMI wishes to clarify the following:

To achieve a pass for a unit, a learner must have successfully achieved all the learning outcomes and assessment criteria for that unit. There are no externally set written examinations for this qualification.

SUBMITTED MATERIALS FOR ASSESSMENT

Where items are submitted for assessment e.g. assignments, PMI will subject each item submitted by learners to its plagiarism software. The purpose of this software is to detect commonality in learner work in terms of detecting where assignments are similar to that of other authors.

A learner will fail the unit where PMI discovered the assignment is plagiarised. PMI will advise

centres and learners as to the tolerance it will set on the similarity of content across each assignment.

MODE OF DELIVERY

PMI does not define the mode of delivery for its Level 3 Certificate in Pension Trusteeship. Centres can develop the mode of delivery (such as full-time, part time, evening only, distance learning) that meets learners' needs. Whichever mode of delivery is used, centres must ensure that learners follow a teaching programme appropriate to the requirements of the qualification.

QUALITY ASSURANCE OF CENTRES

Centres delivering PMI qualifications must be committed to ensuring the quality of the assessment of all the units they deliver, through effective standardisation of assessors and verification of assessor decisions. PMI will rigorously monitor the application of quality assurance processes in centres. PMI's quality assurance processes will involve:

- centre approval for those centres who are not already recognised to deliver PMI qualifications
- approval to offer PMI qualifications and units in Education and Training
- unexpected visits (UK centres) and requesting information at times which PMI deems necessary

Once a centre registers learners for a qualification, they will be allocated an External Verifier who will visit at an early stage in the programme to ensure that an appropriate assessment plan is in place. Centres will be required to undertake training and standardisation activities as agreed with PMI.

RESOURCES

PMI has a separate document for the content features, and a list of suggested resources for each unit. It is also advised that each learner be provided with a core text book, and access to the relevant reading for each unit.

ACCESS AND RECRUITMENT

PMI's policy with regard to access to its qualifications is that:

- they should be available to everyone who is capable of achieving the required standard;
- they should be free from any barriers that restrict access and progression;
- there should be equal opportunities for all wishing to access the qualifications.

Centres are required to recruit learners to PMI qualifications with integrity. This will include ensuring that all learners have appropriate information and advice about the qualifications.

Centres should put in place appropriate systems to assess a learner's suitability for a programme and make a professional judgement about their ability to successfully achieve the designated qualification. This assessment should take account of any support available to the learner within the centre during the programme of study and any support that may be required to allow the learner to access the assessment for the units within the qualification.

LANGUAGE OF MATERIALS

PMI aims to use language that is plain, clear, free from bias and appropriate to Level 3 learners. Tutors preparing learners are expected to ensure that their materials are clear, diverse and appropriate to Level 3 learners.

Learners must also have to be made aware of the language requirement for this qualification.

TUTOR QUALIFICATIONS

Tutors delivering PMI programmes are expected to have the relevant qualifications necessary for the delivery of that Level 3 qualification.

SAMPLE MATERIALS

PMI will provide a sample materials for each unit/qualification to its approved centre through its website or on request.

RESULTS

PMI will issue its results between 6 - 8 weeks after completion of the examination.

UNIT FORMAT

Each unit is set out in the following way.

Unit title, unit code and credit value

The unit title is accredited on this form of words will appear on the learner's Notification of Performance.

Each unit is assigned a level, indicating the relative intellectual demand, complexity and depth of study, and learner autonomy. All units and qualifications within the Regulated Qualification Framework (RQF) will have a level assigned to them, which represents the level of achievement.

There are nine levels of achievement, from Entry level to level 8. The level of the unit has been informed by the RQF level descriptors and, where appropriate, the National Occupational Standards (NOS) and/or other sector/professional benchmarks.

Each unit has a credit value which specifies the number of credits that will be awarded to a learner who has achieved all the learning outcomes of the unit. Learners will be awarded credits for the successful completion of whole units.

Aim

The aim provides a clear summary of the purpose of the unit and is a succinct statement that summarises the learning outcomes of the unit.

Learning outcomes

The learning outcomes identify what each learner must do in order to pass the unit. Learning outcomes state exactly what a learner should 'know, understand or be able to do' as a result of completing the unit. Learners must achieve all the learning outcomes in order to pass the

unit.

Unit content

The unit content identifies the breadth of knowledge, skills and understanding needed to design and deliver a programme of learning to achieve each of the learning outcomes. This is informed by the underpinning knowledge and understanding requirements of relevant National Occupational Standards (NOS) where appropriate. Each learning outcome is stated in full and then the key phrases or concepts related to that learning outcome are listed in italics followed by the subsequent range of related topics. The information below shows how unit content is structured and gives the terminology used to explain the different components within the content.

Learning outcome: this is given in bold at the beginning of each section of content. *Italicised sub-heading:* it contains a key phrase or concept. This is content which must be covered in the delivery of the unit. Colons mark the end of an italicised sub-heading.

Elements of content: the elements are in roman text and amplify the subheading. The elements must also be covered in the delivery of the unit. Semicolons mark the end of an element.

Brackets contain amplification of elements of content which must be covered in the delivery of the unit 'e.g.' is a list of examples used for indicative amplification of an element (that is, the content specified in this amplification that could be covered or that could be replaced by other, similar material). It is not a requirement of the unit specification that all of the content is assessed.

QUALIFICATION OUTLINE

Unit 1 – Pension Trusteeship			
Unit Aims			
To provide formal recognition of a trustee's knowledge and understanding (TKU) in-line with the requirements of the Pensions Act 2004.			
Unit Level	3	Credit Value	6
TQT	60	Unit Grading Structure	Pass/Fail
Assessment Guidance	A Multiple Choice Exam of 60 questions in 90 minutes		
Learning Outcomes – The Learner will:		Assessment Criteria – The Learner can:	
1. Understand the law relating to trusts.		1.1	Understand the Basic Concepts of a Trust and Reasons for a Trust.
		1.2	Understand the Creation of a Trust.
		1.3	Understand the Beneficiaries of a Trust.
		1.4	Analyse Fitness and Propriety to Act as a Trustee.
		1.5	Analyse Trustees Taking Office.
		1.6	Analyse Trustees Ceasing to Hold Office.
		1.7	Understand Fiduciary Duties.
		1.8	Demonstrate an Awareness of the Organisation of Trustees.
		1.9	Understand Professional Advice and Decision Making.
		1.10	Understand the Role of Advisers and Service Providers.
		1.11	Understand Conflicts of Interest.
		1.12	Analyse the Role of Advisers and Use of Advisers where a Scheme or Employer is under threat or in wind up.
		1.13	Understand Investing Funds.
		1.14	Understand Operating under Trust Deed and Rules and Subsequent Amendments.
		1.15	Evaluate Trustees' Liabilities and Protections.
		1.16	Demonstrate an Awareness of the Importance of Sound Governance and Administration.
		1.17	Understand the Trustees' Powers.
		1.18	Demonstrate an Awareness of the Balance of Powers between the Sponsoring Employer and the Trustees.
2. Understand the law and regulatory guidance relating to pensions.		2.1	Demonstrate an Awareness of Occupational Pensions Legislation.
		2.2	Demonstrate an Awareness that Pension Law may Override the Provisions of the Trust Deed and Impose Obligations on Trustees not existing in the Trust Deed.
		2.3	Understand Disputes Resolution.
		2.4	Demonstrate an Awareness of Internal Controls and Sound Administration.
		2.5	Demonstrate an Awareness of Pensions Related Legislation.
		2.6	Demonstrate an Awareness of Taxation.
		2.7	Demonstrate an Awareness of the State Pensions/Occupational Pensions Interface.
		2.8	Demonstrate an Awareness of the Pensions Regulator.
		2.9	Demonstrate an Awareness of the Requirement for Employers to offer a Qualifying Scheme for all Employees from 2012.
		2.10	Understand Member Nominated Trustee/Director Requirements.
		2.11	Understand the Design of DB and DC Schemes.

3. Understand investment and funding issues for DC and DB pensions	3.1	Evaluate the Capital Market.
	3.2	Demonstrate an Awareness of the Major Asset Classes.
	3.3	Evaluate Overseas Investments.
	3.4	Evaluate Specialised Asset Classes and Methods.
	3.5	Demonstrate an Awareness of With-Profit Insurance Arrangements
	3.6	Understand the methods of Valuing Assets for Actuarial Valuations (DB only).
	3.7	Demonstrate an Awareness of Principles of Funding Defined Benefit Liabilities (DB only).
	3.8	Demonstrate an Awareness of Non-Funded, but usually Insured Scheme, Benefits, sometimes called Risk Benefits.
	3.9	Understand the Different Types of Funding Measurers (DB only).
	3.10	Demonstrate an Awareness of the Importance of Complete, Accurate and Up-To-Date Data and Calculations.
	3.11	Evaluate the Employer's Covenant.
	3.12	Demonstrate an Awareness of the Determination of Contributions (DB only).
	3.13	Understand the Role of the Sponsoring Employer in the Calculation and Collection of Member Contributions (DC only).
	3.14	Evaluate Strategic Investment Allocation.
	3.15	Demonstrate an Awareness of the Characteristics of alternative Asset Classes and Financial Instruments.
	3.16	Analyse the Use of Specialised Investment Techniques (DB only).
	3.17	Understand the Structure of Investment Portfolios.
	3.18	Understand the Selection of Fund Managers.
	3.19	Demonstrate an Awareness of Investment Mandates.
	3.20	Evaluate Investment Mandates.
	3.21	Understand the Nature of Fee Structures.
	3.22	Understand the Nature of Charges (DC arrangements only).
	3.23	Demonstrate an Awareness of the Type of Investments undertaken.
	3.24	Understand Socially Responsible Investment and Corporate Governance
	3.25	Understand Measurements of Performance using Indices, Benchmarks and Targets.
	3.26	Understand the Mechanisms for Monitoring Investment Arrangements and Fund Managers.
	3.27	Demonstrate an Awareness of the Importance of Sound Custody Arrangements.
	3.28	Demonstrate an Awareness of the Importance of Responsible Ownership of Assets.
	3.29	Understand the Myners Principles for the Governance of the Investment Decision Making Process.
	3.30	Demonstrate an Awareness of Defined Contribution Arrangements.
	3.31	Understand Transfers (DB only).
	3.32	Understand Trustees' Discretionary Powers (DB only).
	3.33	Understand the Nature and Status of Professional Advice.

3.34

Demonstrate an Awareness of the Pension Protection Fund (PPF).

4. Understand a scheme's trust deed and scheme rules.	4.1	Evaluate the Duties, Powers and Discretions of Trustees under a Trust Deed, Scheme Rules and Amendments.
	4.2	Demonstrate an Awareness of the Nature of the Employer/Trustee Relationship and the Effect of the Scheme's Funding Level on the Sponsoring Employer.
	4.3	Evaluate the Balance of Power between Employer and Trustees and When it is Appropriate to Exercise various Trustee Powers (different for DC and DB Schemes).
	4.4	Understand Classes of Members in a Scheme.
	4.5	Understand the Benefits Offered and the Circumstances in which they are Payable and How the Payments are made.
	4.6	Understand Decumulation of Pension Funds (DC only).
5. Understand a scheme's Statement of Investment Principles (SIP).	5.1	Understand the Responsibilities for Decisions preparing a Statement of Investment Principles.
	5.2	Understand the Contents of a Statement of Investment Principles.
	5.3	Evaluate the Investment Objectives of a Fund.
	5.4	Evaluate the Asset Allocation Strategy of a Fund.
	5.5	Demonstrate an Awareness of the Requirement to Monitor and Update a Statement of Investment Principles as appropriate.
6. Understand a scheme's Statutory Funding Objective (SFO) and Statement of Funding Principles (SFP) (DB only).	6.1	Understand a Scheme's Statutory Funding Objective.
	6.2	Understand the Responsibilities for Preparing a Statement of Funding Principles.
	6.3	Understand the Contents of a Statement of Funding Principles.
	6.4	Understand the Need for Reviewing the Statement of Funding Principles.
7. Understand other relevant scheme documents.	7.1	Understand the Principal Contents of a Scheme Booklet, Announcements and other Member Communications.
	7.2	Understand the Principal Contents of an Actuarial Valuation Report and any Annual Updates.
	7.3	Understand the Value of the Minutes of Previous Meetings.
	7.4	Understand the Contents of Stewardship Reports.
	7.5	Understand a Schedule of Contributions (DB) and any Payment Schedule (DC).
	7.6	Understand the Contents of Internal Control Reports.
	7.7	Understand the Principal Contents of an Annual Report and Accounts.
	7.8	Understand the Principal Terms of any Significant Contract in Respect of Scheme Assets.
	7.9	Understand the Principal Contents of any Trustee Approved Procedures.
	7.10	Understand the contents of a Statement of Compliance with the Myners' Principles.
	7.11	Understand the Principal Contents of the Memorandum and Articles of Association of a Corporate Trustee.
	7.12	Understand the Principal Elements and Features of a Scheme Business Plan.
	7.13	Understand the Important Components of the Job Descriptions for the Chair and for other Trustees.
	7.14	Demonstrate an awareness of Pension Liberation Fraud.

Unit 2 – Soft Skills

Unit Aims

Soft skills are a combination of people skills, social skills, communication skills, character or personality traits, attitudes, career attributes, social intelligence and emotional intelligence quotients, among others, that enable people to navigate their environment (work of social), work well with others, perform well, and achieve their goals with complementing hard skills.

This unit identifies the key soft skills that will enable a Trustee to perform their managerial duties effectively.

Unit Level	3	Credit Value	8	Unit Reference	
TQT	80	Unit Grading Structure		Pass/Fail	
Assessment Guidance		A Multiple Choice Exam of 60 questions in 90 minutes			
Learning Outcomes – The Learner will:			Assessment Criteria – The Learner can:		
1	Have developed their own leadership and communication skills through both the study of theory, the application of these theories through analysis and practice.	1.1	Appreciate the key concepts of leadership.		
		1.2	Analyse your leadership style and understand how to adjust it to become a more effective leader		
		1.3	Grasp the importance of verbal and non-verbal communication in the leadership process.		
		1.4	Apply the persuasive process to different genres and scenarios.		
2	Be able to plan, analyse situations, identify and solve problems (or potential problems), make decisions, and set realistic and attainable goals for the organisation.	2.1	Understand the context of business decision making and characteristics of decision-making problems.		
		2.2	Identify issues involved in making decisions when dealing with complex business problems, including appreciation and understanding of relevant ethical aspects and issues that are associated with business decision making.		
		2.3	Appreciate and compare various quantitative and qualitative decision-making models.		
		2.4	Appreciate the need for approaching business problem solving as an integrated as well as more specialist, functional approach; and be able to approach a problem from different perspectives.		

	2.5	Select and use appropriate methodologies, tools and techniques to formulate and solve business problems in order to make informed and justified decisions; and understand effectiveness, efficiency and impact of the chosen methodologies, tools and techniques.
3 Be able to negotiate with both internal and external constituents in a way and manner that develops or maintains relationships and create value	3.1	Judge and select methods of negotiation and alternative dispute resolution.
	3.1	Define and critically evaluate the different types of strategies employed to become effective negotiators.
	3.3	Describe and assess substantive and affective conflict as well as interpersonal conflict.
	3.4	Demonstrate an understanding of how to manage conflicts in a way and manner that leads to constructive outcomes.
	3.5	Construct a coherent approach and evidence-backed argument for persuading another.
	3.6	Identify cognitive biases that stand as barriers to effective negotiation and conflict management and the deception and biases that could limit one's own negotiation and conflict management skills.
	3.7	Communication skills (particularly, skills of persuading others).
	3.8	Skills to be more effective in their roles within an organisation by negotiating and managing conflict.
	3.9	The ability to manage conflict actively through reduction, elimination or avoidance.
	3.10	The ability to prepare effectively for a negotiation and reach mutually beneficial agreements.
	3.11	Research skills into negotiations and conflict management problems and the application of these in the assembling and analysis of facts and situations.
4 Be able to apply critical thinking to analyse information effectively and enhance strategic thinking.	4.1	Accurately interprets evidence, statements, graphics, and questions.
	4.2	Identifies relevant arguments (reasons, claims, pros and cons).
	4.3	Analyses and evaluates alternative points of view.
	4.4	Justifies key results or procedures and can fully explain assumptions and reasons.