

J05 Pension Income Options 2020/2021

Part 1: Exam overview

The J05 exam will test your knowledge of the choices and decisions that need to be made approaching retirement.

In line with the other J exams the exam consists of 15 questions some of which will be a basic factual question and others will be based on a mini case study. As with the other J exams **there must be at least one question on each Learning Outcome in the syllabus.**

There may be questions that test your understanding of

- Minimum Pension Age
- HMRC rules on taking an ill health pension
- HMRC rules on taking a serious ill health lump sum

The exam will test Defined Benefit and Defined Contribution schemes.

The questions on defined benefits will test your knowledge of the pre and post retirement benefits including the calculation of the maximum permitted PCLS.

Most of the questions will be based on money purchase arrangements and could test:

- The suitability of the uncrystallised fund ahead of taking the benefits
- The characteristics and differences between lifetime annuities, Flexi Access Drawdown and Uncrystallised Pension Lump Sum
- Using phased drawdown
- Options with existing capped drawdown cases
- Death benefits available from an uncrystallised and a designated drawdown fund

There will be at least one question on the Lifetime Allowance and the different types of transitional protection. These may take the form of a calculation.

Questions may be asked on using non-pension assets to provide a retirement income.

Finally there will be at least one question on the state pension so you will need to understand the differences between the pre and post 2016 systems. There may also be a question on pension related benefits