COURSE DETAILS

Course Code: F71PD
Full Course Title: Pensions B
SCQF Level: 11
SCAF Credits: 15
Available as Elective: No

DELIVERY LEVEL

Undergraduate: Yes  Postgraduate Taught: Yes  Postgraduate Research: No

COURSE AIMS

The aims of this course are:

- To provide a good understanding of the risks and uncertainties facing the parties involved in pension provision
- To provide a thorough understanding of actuarial models used in the management of pension schemes
- To provide an understanding of risk management in pension schemes, including the use of reinsurance

To provide an understanding of how to monitor the experience of pension schemes

LEARNING OUTCOMES – SUBJECT MASTERY

On completion of this course the student should be able to:

- Describe the risks and uncertainties affecting benefits, contributions, returns on assets and security
- Describe the process of population projection and its main determinants
- Discuss the use of actuarial models for decision making purposes in non-state pensions
- Discuss the application of actuarial methods and techniques to the financial management of a social security scheme
- Discuss the principles behind the determination of assumptions for valuing future benefits and contributions
- Discuss the principles behind the determination of discontinuance terms in respect of benefits
- Discuss how to determine values for assets, future benefits and future contributions
- Discuss the application of actuarial methods and techniques to the financial management of defined contribution pension schemes
- Analyse the asset-liability matching requirements of a provider of pensions and related benefits
- Discuss the principles underlying the use of re-insurance
- Identify the sources of surplus/deficit for a benefit provider
- Explain why and describe how the actual experience of a pension scheme should be monitored and assessed

LEARNING OUTCOMES – PERSONAL ABILITIES

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• Show an appreciation of the interface between academic theory and industrial practice
• Demonstrate the ability to learn independently and as part of a group
• Manage time, work to deadlines and prioritise workloads
• Present results in a way that demonstrates that they have understood the technical and broader issues of the pensions environment
• Show an appreciation of the various potential conflicts between pensions stakeholders

SYLLABUS

Risks and Uncertainties

• Benefits and Contributions
• Returns on Assets
• Security
• Risk Management including Reinsurance

Population Projections

• Models and their Weaknesses
• Socio-economic Factors

Models

• Objectives
• Features
• Uses
• Sensitivity Analyses

Managing a Social Security Scheme
• Evaluating Liabilities

• Assessing Contributions

Valuation of a Pension Scheme

• Selecting Assumptions
• Calculating Values for Benefits, Contributions and Assets
• Applying Results
• Analysing Asset-Liability Matching
• Analysing Surplus or Deficit
• Analysing Experience

Discontinuance

• Determining Benefits

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