

H8RETF: Retirement Financing

Module Code:	H8RETF
Long Title	Retirement Financing APPROVED
Title	Retirement Financing
Module Level:	LEVEL 8
EQF Level:	6
EHEA Level:	First Cycle
Credits:	5
Module Coordinator:	Deirdre Bane
Module Author:	
Departments:	
Specifications of the qualifications and experience required of staff	
Learning Outcomes	
<i>On successful completion of this module the learner will be able to:</i>	
#	Learning Outcome Description
LO1	Apply the mathematical principles underpinning pension funding calculations to a range of structured situations
LO2	Demonstrate a developed awareness of the funding standards pertaining to pension schemes & the corresponding implications for benefits
LO3	Critically analyse the key factors for consideration in the determination of an investment strategy appropriate to the bespoke needs of retirement arrangements
LO4	Comprehensively understand the process employed by Trustees in selecting an investment manager, setting & measuring investment objectives, and implementing controls and benchmarking the performance of the investment manager
Dependencies	
Module Recommendations	
20678	H8RBEN Retirement Benefits
Co-requisite Modules	
No Co-requisite modules listed	
Entry requirements	

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Module Content & Assessment			
Indicative Content			
Funding for retirement • Life cycle of pension fund – individual & group arrangements			
Funding methods for retirement benefits • Pay as you go, advance funding, notional funding & outright purchase of annuity • Key considerations – e.g. security, cash flow, legislation, tax relief accounting practices & reporting			
Funding mathematics • Time Value of Money-Net Present Value as a method of Investment & Retirement Funding Appraisal • Future Value & Compound interest –accumulation, fund growth & charges, salary earnings growth & impact of the gap between fund & earnings growth. Annuity rates. Target funding pre/post retirement. • Perpetuities and Annuities			
Funding DC & DB Arrangements • Funding DC arrangements- target driven & Rev Max basis • Funding DB benefits – legislative requirement, funding rate, actuarial valuation methods. Funding standards, funding proposal & implications for scheme & benefits.			
Basic Understanding Company Accounts & Impact of Pension provision: • Basic accounting principles which apply to the accounts of a typical trading company. • Typical trading company's Balance Sheet, Profit and Loss Account and Cash Flow statements contain and analyse this information to aid the assessment of the value of the company • Impact of employer related scheme have on company accounts – Defined benefit & Defined Contribution			
Key factors for Defined Contribution (DC) Investment Strategy • Scale. Individual/group arrangement. Insured, self invested/directed, SSAS. • Accumulation/Distribution phase. Return v's Risk. Term to retirement. Liquidity • Risk profile & tolerance • Nature of liabilities. Impact on asset classes & allocation • Investment choice, lifestyle options & defaults funds. Charges • Investment restrictions on for individual & occupational pension scheme (insured, self- directed & SSAS) arrangements • Investment in Geared Investments - restriction.			
Defined Benefit (DB) Investment strategy • Target driven liabilities. • Employer covenant, closed/open arrangement, size of scheme, age profile, financial position of scheme, funding assumptions/proposals, cash flow consideration. Accounting Standards & reporting. Annual Disclosures • Overview of risk Management: Asset/Liability modelling, Liability driven investment • Investment restrictions.			
Investment managers relationship with Trustees • Investment manager selection & appointment process • Setting investment objectives, constraints & benchmark • Main & alternative investment asset classes held by pension funds • Importance of Asset allocation in meeting retirement objectives - volatility & role of diversification & correlation • Ethical & Social Responsible investments • Statement of Investment policy principles. Investment mandates/agreements • Setting & monitoring performance targets, benchmarking, and transition management • Investor Behaviour			
Assessment Breakdown			%
Coursework			40.00%
End of Module Assessment			60.00%
Assessments			
Full Time			
Coursework			
Assessment Type:	Assignment	% of total:	40
Assessment Date:	n/a	Outcome addressed:	1,2,3,4
Non-Marked:	No		
Assessment Description: The project will be a specific case study or report, academic or industry publication, focusing on a real world retirement funding type case requiring The student must also show a clear understanding of the underlying areas to which the case/information pertains and be capable of critically analysing, evaluating the and carrying out the task required. The student must carry out required external reading and/or provide appropriate conclusions, in a clear and coherent manner . The appropriate module assessment strategy will be decided annually by the lecturer, in conjunction with the programme team. (L01-L04) A minimum of 2500 and a maximum of 3500 words for the continuous assessment project			
End of Module Assessment			
Assessment Type:	Terminal Exam	% of total:	60
Assessment Date:	End-of-Semester	Outcome addressed:	1,2,3,4
Non-Marked:	No		
Assessment Description: The examination will be at least two hours in duration and will contain a choice of questions. Questions may include computation or essay–style responses and case study based questions. All questions will be marked according to clarity, structure, contemporary examples (that illustrate points made), reference to materials covered, theories and outside reading & research in the field. (L01-L04)			
No Workplace Assessment			
Reassessment Requirement			
Repeat failed items <i>The student must repeat any item failed</i>			

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Module Workload				
Module Target Workload Hours 0 Hours				
Workload: Full Time				
Workload Type	Workload Description	Hours	Frequency	Average Weekly Learner Workload
Lecture	No Description	2	Every Week	2.00
Tutorial	No Description	1	Every Week	1.00
Assignment	No Description	2.5	Every Week	2.50
Independent Learning	No Description	5	Every Week	5.00
Total Weekly Contact Hours				3.00
Workload: Part Time				
Workload Type	Workload Description	Hours	Frequency	Average Weekly Learner Workload
Lecture	No Description	2	Every Week	2.00
Assignment	No Description	30	Once per semester	2.50
Independent Learning	No Description	59	Once per semester	4.92
Total Weekly Contact Hours				2.00

Module Resources	
<i>Recommended Book Resources</i>	
<p>Irish Institute of Pension Management. Retirement Provision,, 2010/11.</p> <p>Institute of Tax. (2014), Pensions – Revenue, Law & Practice Finance Revenue Law and Practice, Finance Act 2013.</p> <p>O'Brien, F & McLoughlin, B. (2006), Fundamentals of Investment: An Irish Perspective,, Gill and Macmillan.</p> <p>O'Brien, F & McLoughlin, B. (2008), Investment Analysis and Portfolio Management,, 9th. Dryden.</p> <p>Reily, F.K. Brown, K.C.. (2008), Investment Analysis and Portfolio Managemetn, 9. Dryden.</p> <p>DeFusco R.A., Pinto J.E., Runkle D.E., and McLeavey D.W.. (2007), Quantitative Methods for Investment Analysis,, Wiley.</p>	
<i>Supplementary Book Resources</i>	
<p>Jones, C.P. (2007), Investment Analysis and Management, 10th. Wiley.</p> <p>Watshman T., and Parramore K.,. (1997), Quantitative Methods in Finance, Cengage Learning.</p> <p>Jordan. (2008), Fundamentals of Investment, 5th. McGraw Hill.</p> <p>Gannon, S., Kerby J., Brooks, N.,. (2010), Tax Advice Bureau- Guide to Money, Pension & Tax..</p>	
<i>This module does not have any article/paper resources</i>	
<i>Other Resources</i>	
<p>[Journal], Pensions and Investments.</p> <p>[Journal], Pension Economics & Finance.</p> <p>[Journal], Retirement Market Insights.</p> <p>[Website], www.betterregulation.com.</p> <p>[Website], http://pensionsireland.ie.</p> <p>[Website], http://www.oireachtas.ie/parliament/oireachtasbusiness/billslegislation/acts/.</p> <p>[Website], www.IAPF.ie.</p> <p>[Website], https://web.actuaries.ie/standards.</p> <p>[Website], www.oecd.org.</p> <p>[Website], www.esri.ie.</p> <p>[Website], www.pensionsire.ie.</p> <p>[Website], http://www.ipe.com.</p> <p>[Website], http://www.iaim.ie.</p> <p>[Website], http://www.genevaassociation.org/.</p>	
Discussion Note:	