

Subject SP4

CMP Upgrade 2024/25

CMP Upgrade

This CMP Upgrade lists the changes to the Syllabus, Core Reading and the ActEd material since last year that might realistically affect your chance of success in the exam. It is produced so that you can manually amend your 2024 CMP to make it suitable for study for the 2025 exams. It includes replacement pages and additional pages where appropriate.

Alternatively, you can buy a full set of up-to-date Course Notes / CMP at a significantly reduced price if you have previously bought the full-price Course Notes / CMP in this subject. Please see our 2025 *Student Brochure* for more details.

We only accept the current version of assignments and mock exams for marking, *ie* those published for the sessions leading to the 2025 exams. If you wish to submit your scripts for marking but only have an old version, then you can order the current version free of charge if you have purchased the same assignments / mock exams in the same subject in a previous year, and have purchased marking for the 2025 session.

This CMP Upgrade contains:

- all significant changes to the Syllabus and Core Reading
- additional changes to the ActEd Course Notes, Assignments and Mock Exam that will make them suitable for study for the 2025 exams.

0 Retaker discounts

When ordering *retaker-price material*, please tick the relevant box when using the e-store.

Students have the choice of purchasing the full CMP (printed or eBook) or just the Course Notes (printed).

Further information on retaker discounts can be found at:

acted.co.uk/paper_reduced_prices.html

1 Changes to the Syllabus

There are no changes to the syllabus objectives.

2 Changes to the Core Reading and ActEd material

This section contains all the ***non-trivial*** changes to the Core Reading and ActEd text.

Many of the chapter summaries have been modified to optimise them. However, the original summaries remain ‘fit for purpose’ and we have not detailed all of the changes in this upgrade.

Chapter 1

Section 0

The Core Reading has been updated and now reads:

The Institute and Faculty of Actuaries has produced Core Reading to support students in their learning and development in this subject. The Core Reading relates directly to the topics within the syllabus.

The Core Reading is reviewed every year to reflect any changes to the syllabus and current practice. Tuition providers may use the Core Reading to support their tuition services or products.

The Core Reading will reference the version of any current legislation, standards, professional guidance. The United Kingdom left the European Union on 1 January 2021 without an EU-wide arrangement for the operation and regulation of financial services and this continues to be the situation. This version of the Core Reading reflects this situation.

The full subject syllabus is available on the IFoA website here:

<https://actuaries.org.uk/curriculum>.

The subject syllabus includes information on how this subject will be assessed. Students can use the subject syllabus as a guide for learning and development, however this must not be used by another party, copied, electronically transmitted (including the use of AI or Generative AI) or published on a website.

A list of additional resources to support candidate learning and development for this subject can be found on the Module pages on the IFoA website:

<https://actuaries.org.uk/curriculum/>

All resources are hyperlinked to their source publication or the IFoA Library. Where a resource is available through the IFoA Library, members, students and affiliates can ‘request’ it from the IFoA Library Service, subject to availability.

Section 3

Some Core Reading about assessment has been added to create a new sub-section:

Assessment

Students are expected to apply knowledge and concepts learned from the subject syllabus using the Core Reading and other available resources as additional learning material. For further advice and guidance on the assessment please read:

- **IFoA Assessment Regulations**
- **IFoA Examinations Handbook**
- **IFoA Qualifications Handbook**

These documents can be found here: <https://actuaries.org.uk/qualify>

Chapter 10

Page 1

Part of syllabus objective 2.2 has been added as follows:

- 2.2 Understand the factors to consider to determine a suitable design for a pension scheme, or other benefits (such as social security benefits):
- method of financing the benefits.

Page 19

In the bottom row of the last table, the figure at time = 2 has been changed from 1 to 10.

Chapter 11

Page 8

The sentence about Experian is out of date and has been deleted.

Chapter 12

Page 10

Additional Core Reading has been added to the final sentence of Core Reading so that this paragraph now reads:

This is often done by investing in assets that give geared exposure to interest rates or inflation, ie the exposure is greater than the nominal value of the asset. This gearing can introduce new risks. For example, there may be a requirement for the scheme to post collateral to the derivative managers that may introduce a liquidity risk. This is covered in Subject SA4.

Chapter 13

Page 22

In Section 4.4, the weblinks to The Pensions Regulator's guidance have been updated and now read:

- <https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/funding-and-investment-detailed-guidance/db-investment/db-investment-governance>
- <https://www.thepensionsregulator.gov.uk/en/document-library/scheme-management-detailed-guidance/funding-and-investment-detailed-guidance/investment-guide-for-dc-pension-schemes>

Glossary

A definition of *Low dependency* has been added to the Core Reading as follows:

Low dependency

A status where a benefit scheme has no expectation that the sponsor will make any further deficit payments into the scheme.

See also *Self-sufficiency basis*.

3 Changes to the X Assignments

Assignment X1

Question X1.6

The question has been reworded slightly to focus on defined benefit pension schemes; the first paragraph now reads:

In a particular developed country, pension provision is primarily made *via* employer-sponsored defined benefit pension schemes. The schemes can either be funded separately from the employer (funded schemes) or through a company book reserve. Following a recent election, the new government has set out the following proposals as a means of providing additional security for members' pensions in such schemes:

Assignments X5 and X6

Many of the questions and solutions in these assignments have been changed or updated significantly. However, the original assignments remain 'fit for purpose' and so we have not detailed all of the changes in this upgrade.

If you would like the new assignments *without* marking, then retakers can purchase an updated CMP or standalone X Assignments at a significantly reduced price. Further information on retaker discounts can be found at:

acted.co.uk/paper_reduced_prices.html

If you wish to submit your scripts for marking but only have an old version, then you can order the current assignments free of charge if you have purchased the same assignments in the same subject in a previous year, and have purchased marking for the 2025 session. We only accept the current version of assignments for marking, *ie* those published for the sessions leading to the 2025 exams.

4 Changes to the Mock Exam

The questions and solutions in the 2024 version of the Mock Exam remain suitable for preparation for the exam. Question 1 has however been replaced in the latest version of the Mock Exam and Question 7 has been substantially rewritten. We have not detailed all of the changes in this upgrade.

Question 2(i)

The command verb should be changed from 'Set out' to 'List'.

Solution 2(i)

A comment has been added directing markers to award credit for 'buy-in' and 'buy-out' policies as alternatives to the examples of annuities in the solution.

If you would like the new Mock Exam *without* marking, then retakers can purchase an updated CMP or standalone Mock Exam at a significantly reduced price. Further information on retaker discounts can be found at:

acted.co.uk/paper_reduced_prices.html

If you wish to submit your scripts for marking but only have an old version, then you can order the current Mock Exam free of charge if you have purchased the same Mock Exam in the same subject in a previous year, and have purchased marking for the 2025 session. We only accept the current version of the Mock Exam for marking, *ie* that published for the sessions leading to the 2025 exams.

5 Other tuition services

In addition to the CMP, you might find the following services helpful with your study.

5.1 Study material

For further details on ActEd's study materials, please refer to the *Products* pages on the ActEd website at **ActEd.co.uk**.

5.2 Tutorials

We offer the following (face-to-face and/or online) tutorials in Subject SP4:

- a set of Regular Tutorials (lasting a total of three full days)
- a Block Tutorial (lasting three full days).

For further details on ActEd's tutorials, please refer to our latest *Tuition Bulletin*, which is available from the ActEd website at **ActEd.co.uk**.

5.3 Marking

You can have your attempts at any of our assignments or mock exams marked by ActEd. When marking your scripts, we aim to provide specific advice to improve your chances of success in the exam and to return your scripts as quickly as possible.

For further details on ActEd's marking services, please refer to the 2025 *Student Brochure*, which is available from the ActEd website at **ActEd.co.uk**.

5.4 Feedback on the study material

ActEd is always pleased to receive feedback from students about any aspect of our study programmes. Please let us know if you have any specific comments (*eg* about certain sections of the notes or particular questions) or general suggestions about how we can improve the study material. We will incorporate as many of your suggestions as we can when we update the course material each year.

If you have any comments on this course, please send them by email to **SP4@bpp.com**.

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