

Pension Plans and Retirement Planning

Code: 102132
ECTS Credits: 6

| Degree | Type | Year | Semester |
|--------------------------------|------|------|----------|
| 2501231 Accounting and Finance | OT | 4 | 0 |

Contact

Name: Jordi Celma Sanz
Email: Jordi.Celma@uab.cat

Use of Languages

Principal working language: spanish (spa)
Some groups entirely in English: No
Some groups entirely in Catalan: No
Some groups entirely in Spanish: No

Prerequisites

There are no prerequisites

Objectives and Contextualisation

Show that the student knows the aspects and variables that affect the specific needs of the people and families who have to manage their assets when they arrive at retirement.

Also know the different risks involved in the management of this heritage and the different strategies of diversification, whenever possible, of the same.

Know the regulations that regulate retirement pensions and pension plans and other habitual products for large individuals, such as inverse mortgages or different types of vital income.

Competences

- Behaving in an ethical and professional way while carrying out the accounting or financial advisory services entrusted.
- Communicating in oral and written form in Catalan, Spanish and English, in order to be able to summarise and present the carried out project in both forms.
- Demonstrating a comprehension of the principles, structure, organisation and inner workings of companies and organisations.
- Efficiently searching information, discriminating irrelevant information.
- Students must be able to adapt to changing environments.
- Students must be capable of communicating information, ideas, problems and solutions to both specialised and non-specialised audiences.
- Students must develop the necessary learning skills to undertake further training with a high degree of autonomy.

Learning Outcomes

1. Calculating the maximum potential loss in an active risk management strategy.

2. Communicating in oral and written form in Catalan, Spanish and English, in order to be able to summarise and present the carried out project in both forms.
3. Designing strategies and selecting appropriate products for the different risk profiles.
4. Efficiently searching information, discriminating irrelevant information.
5. Identifying the risk profiles of the people and families being advised.
6. Presenting a specific financial planning for a concrete client.
7. Students must be able to adapt to changing environments.
8. Students must be capable of communicating information, ideas, problems and solutions to both specialised and non-specialised audiences.
9. Students must develop the necessary learning skills to undertake further training with a high degree of autonomy.

Content

1. Pension Plans

General aspects of Pension Plans and Funds. Modalities. Regulation of Pension Plans, Basic Principles, Elaboration, Incorporation of participants, Contributions, consolidated rights and benefits, Actuarial Financial System, Information to participants and beneficiaries, Completion. Regulation of Pension Funds, Other elements: Defender of the participant, Control Committee, Management Entities, Depositary Entities. Tax regime, applicable rules: accounting, advertising, responsibility, ethics. Control and administrative intervention system.

2. Retirement Financial Planning, Situations and Contingencies Affecting Planning.

Planning Objectives. Variables to consider in planning. The public pension system: retirement. Private savings alternatives: long-term savings products until retirement. Entry into the labour market. Formation of a new home and arrival of children. Unemployment. Temporary and permanent disability. Widowhood and orphanhood, Dependency.

3. Practical aspects for proper planning until retirement.

Basic principles of financial planning until retirement. Ideal time to start saving, Amount to be saved according to the objectives. Investment products appropriate to the planned strategy. Tax optimisation of savings. Periodic review of the financial plan for retirement.

4. Optimal disaccumulation strategies during retirement

Basic principles of decumulation during retirement. Analysis of financial risks during retirement: Expense risk, Longevity risk, Bequest risk; Market risk. Analysis of the personal and patrimonial situation of the retiree. Traditional financial products, specific financial products for the elderly: immediate and deferred annuities, guaranteed annuities, good longevity, swaps, futures and mortality options. Optimum time to hire a life annuity. Reverse mortgages: characteristics and actuarial design. Advantages and disadvantages of the different products

Methodology

The activities that allow the students to achieve the objectives of the course will be:

1. Theoretical classes with professors will develop the main concepts

The aim of this activity is to present the most important concepts of the material, the necessary basic demonstrations and the aspects that are usually made more mistakes in the application of the theoretical concepts.

2. Practical classes

The professor will present practical suppositions that will be solved together.

3. Resolution of suppositions and activities

Each topic will be associated with a list of suppositions and/or questions and/or activities that will be resolved individually. Periodically they will comment in the practical classes on the resolution of these suppositions.

4. Face-to-face tutorials

The student has a few hours with the professors of the subject to resolve their theoretical and practical doubts in person.

Activities

| Title | Hours | ECTS | Learning Outcomes |
|------------------|-------|------|-------------------|
| Type: Directed | | | |
| practices | 13 | 0.52 | 4, 1, 5, 6, 7 |
| theory | 33 | 1.32 | 1, 5, 6, 9, 8, 7 |
| Type: Supervised | | | |
| tutoring | 20.5 | 0.82 | 1, 5, 6, 9, 8, 7 |
| Type: Autonomous | | | |
| practices | 50 | 2 | 1, 6, 7 |
| study | 30 | 1.2 | 1, 5, 6, 7 |

Assessment

An evaluative activity that will include theme 1 and theme 3 and which must be answered without consulting the material. The maximum resolution time will be 90 minutes. (25% of the note)

A job to be completed during the second week of December, (25% of the grade)

An individual test that included all material of the course, in the date foreseen in the calendar of the Faculty, that will have to answer without material. The maximum resolution time will be 120 minutes. (50% of the note)

All students are required to perform the evaluation activities. If the student's grade is 5 or higher, the student passes the course and it cannot be subject to further evaluation. If the student grade is less than 3.5, the student will have to repeat the course the following year. Students who have obtained a grade that is equal to or greater than 3.5 and less than 5 can take a second chance exam. The lecturers will decide the type of the second chance exam. When the second exam grade is greater than 5, the final grade will be a PASS with a maximum numerical grade of 5. When the second exam grade is less than 5, the final grade will be a FAIL with a numerical grade equal to the grade achieved in the course grade (not the second chance exam grade).

A student who does not perform any evaluative task is considered "not evaluable", therefore, a student who performs a continuous assessment component can no longer be qualified with a "not evaluable".

The final assessment score is a weighted average of the different scores which are the weighting coefficients in the abans indicated. It exceeds the subject with a grade equal to or greater than 5.

For those students who, in the assessment, obtain a grade equal to or higher than 3.5 and lower than 5, there will be a re-evaluation. At the moment of publishing the final qualifications the modalities of the mateixa will be announced. This re-evaluation will be programmed in the calendar of examinations of the Faculty. The student who is present and the superior will pass the subject with a grade of 5. Otherwise he will keep the same grade.

A student is considered to be "Unassessable"; to the subject as long as he or she has not participated in the assessment activities. Therefore, a student who performs a continuous assessment component is considered to be no longer eligible for a ;"Unassessable";.

Calendar of evaluation activities

The dates of the evaluation activities (midterm exams, exercises in the classroom, assignments, ...) will be announced well in advance during the semester.

The date of the final exam is scheduled in the assessment calendar of the Faculty.

"The dates of evaluation activities cannot be modified, unless there is an exceptional and duly justified reason why an evaluation activity cannot be carried out. In this case, the degree coordinator will contact both the teaching staff and the affected student, and a new date will be scheduled within the same academic period to make up for the missed evaluation activity." **Section 1 of Article 115. Calendar of evaluation activities**

(Academic Regulations UAB). Students of the Faculty of Economics and Business, who in accordance with the previous paragraph need to change an evaluation activity date must process the request by filling out an Application for exams' reschedule

https://eformularis.uab.cat/group/deganat_feie/application-for-exams-reschedule

Grade revision process

After all grading activities have ended, students will be informed of the date and way in which the course grades will be published. Students will be also be informed of the procedure, place, date and time of grade revision following University regulations.

Retake Process

"To be eligible to participate in the retake process, it is required for students to have been previously been evaluated for at least two thirds of the total evaluation activities of the subject." Section 3 of Article 112 ter. The recovery (UAB Academic Regulations). Additionally, it is required that the student to have achieved

The date of the retake exam will be posted in the calendar of evaluation activities of the Faculty. Students who take this exam and pass, will get a grade of 5 for the subject. If the student does not pass the retake, the grade will remain unchanged, and hence, student will fail the course.

Irregularities in evaluation activities

In spite of other disciplinary measures deemed appropriate, and in accordance with current academic regulations, *"in the case that the student makes any irregularity that could lead to a significant variation in the grade of an evaluation activity, it will be graded with a 0, regardless of the disciplinary process that can be instructed. In case of various irregularities occur in the evaluation of the same subject, the final grade of this subject will be 0"*. **Section 10 of Article 116. Results of the evaluation. (UAB Academic Regulations).**

Assessment Activities

| Title | Weighting | Hours | ECTS | Learning Outcomes |
|---------------|-----------|-------|------|---------------------------|
| final test | 50% | 2 | 0.08 | 4, 1, 3, 5, 6, 9, 8, 7, 2 |
| first test | 25% | 1.5 | 0.06 | 1, 3, 5, 6, 9, 8, 7, 2 |
| getting a job | 25% | 0 | 0 | 1, 3, 5, 6, 9, 8, 7 |

Bibliography

DD.AA. (2012) "La Planificación Financiera de la Jubilación", Instituto Aviva de Ahorro y Pensiones.

Charupat, N. *et al.* (2012) " Strategic Financial Planning over the Lifecycle", Cambridge University Press.

Ibbotson, R.G. *et al.* (2007) "Lifetime Financia Advice: Human Capital, Asset Allocation, and Insurance". Research Fundation of CFA Institute.

Idzorek, T. (2008) "Lifetime Assets Allocations: Metodologies for Target Maturity Funds". Ibbotson Associates Research Paper.

López Ares, S. *et al.* (2007) " Estrategias Óptimas de Desacumulacion de Riqueza Durante la Jubilación". IMSERSO, Instituto de Mayores y Servicios Sociales.

Real Decreto 304/2004 de 20 de febrero por el que se aprueba el "Reglamento de Planes y Fondos de Pensiones"