

QFA Financial Advice

Practice Case Studies and Guidance

Case Studies – QFA Financial Advice Module:

1. Factfinding
2. Taxation
3. Review: Pension
4. Review: Life Assurance
5. Review: Investment
6. Review: Loans
7. Making a Recommendation
8. Client Review

1. Completing the Case Studies

There are **8 Work Based Case Studies** for the QFA Financial Advice module. Apprentices should choose any **4 Case Studies** from those on offer. Each one must be completed, marked and submitted by the specified deadline.

As far as possible, apprentices are expected to research within their own organisation (with guidance from their supervisor), cases, documents, policy wordings or other materials that can be applied to the assignments.

As for the previous modules, the apprentice must complete the tasks in the specified format. This may, for example, involve writing a short report in MS Word, a PowerPoint presentation or presenting information in a table. Brief guidance notes are included to ensure clarity about what the apprentice needs to do, and what the supervisor should look for when marking the work.

2. The role of the supervisor

The completed case studies will be submitted to and signed off by the nominated Supervisors. A case study marking form is attached in **Appendix 1** for completion and sign off for each case study. For more information about this, please refer to the **Guide to Case Studies**.

The role of the supervisor is to:

- help the apprentices to locate or create suitable case files, work-based materials or other sources of information
- assess each apprentice's completed case study (on a pass or fail basis)

3. Deadlines for submitting the case studies

QFA Financial Advice Module Submission Deadline:	
1	14 th June 2024
2	28 th June 2024
3	12 th July 2024
4	26 th July 2024

Remember: **these are the final deadlines for uploading the marked case studies to Moodle.**

Apprentices and supervisors should agree an appropriate schedule for discussing, completing and marking the questions to ensure that these deadlines are met. Forward planning is essential – see section 4 below.

4. Forward planning

Issuing the case studies in advance allows plenty of time for the apprentices and supervisors to meet the submission deadlines. It also gives adequate notice of any cases and documents that need to be sourced for or by the apprentices.

This table provides a brief summary of what is needed for each of the case studies:

	Topic	Resources
1	Factfinding	Textbook
2	Taxation	Textbook
3	Review: Pension	Textbook
4	Review: Life Assurance	Textbook
5	Review: Investment	Textbook
6	Review: Loans	Textbook and https://www.ccpc.ie/consumers/money-tools/mortgage-comparisons/
7	Making a Recommendation	Textbook
8	Client Review	Textbook

Where a case file is required, this may be a paper or a digital record. **Personal details from the files should never be included in any of the case study submissions.**

5. A reminder about copying and plagiarism:

Plagiarism is copying the words or ideas of others and passing it off as your own, and is a most serious academic offence.

All sources that you use must be referenced within your text and in your bibliography.

The case study submissions will be checked for plagiarism.

It does not matter whether you use direct quotations or paraphrase the words of an author, you must reference your source. Failure to do so may result in a zero mark or other disciplinary action under Atlantic Technological University procedures.

The School of Business uses the Harvard Referencing system.

Topic 1: Factfinding

1a) You have been asked by the local school to help with a piece for transition year students on financial planning. Explain 5 of the key benefits of the financial planning process for consumers.

2) A factfinding form is a questionnaire used to gather all relevant facts and information on a consumer. In practice, no two factfinding forms are usually the same. If possible, have a look at the factfinding form your firm uses otherwise see if you can access a generic copy online.

Look at the main sections and give your opinion or thoughts as to how you would feel about asking these personal questions from a prospective client.

2b) Many advisers find it difficult to strike the balance in gathering relevant information on potential clients. Explain in your own words what the Consumer Protection code specify in relation to obtaining relevant information.

2) An employer has asked for your firm's help in putting a PRSA pension in place for staff. Many of the employee's had previous pensions - in this circumstance, would the reduced fact-finding obligations apply? And why?

Guidance Notes

Your answers should be based on the text contained within chapter 1 of the textbook. Please use your own words in answering the case studies.

Topic 2: Taxation

1a) A client has asked for your help; he does not know what tax credits would apply to him as he is single with two young children and works as an employee. Send him an email helping to explain the mechanics of tax credits.

1b) A client of yours aged 69, earns €54,000. They are confused about USC. Calculate their USC liability for 2024.

2a) Your client is thinking of employing a carer to look after their mother. Outline briefly the taxation implications of this.

3) Paul and Susan; both aged 65 have 4 adult children. Their cash assets are worth €1,500,000 and 4 investment properties are worth €1.9 million. They also have an ARF valued at €275,000. The children have not received any previous gifts or inheritances. The clients have expressed a view that they would like to consider passing some of their wealth whilst they are alive. S72 Inheritance Tax Joint life 2nd death policy and S73 Savings Plan for Gift Tax purposes have been mentioned to them previously. Both policies are very popular in managing estate planning.

Send them an email outlining the potential CAT bill on death if everything is left as a death benefit; Also give them a brief overview of what each type of policy is for and how they can be used for their estate planning.

What other option is available to them while they are alive in terms of gifting, as a method of reducing their CAT?

Topic 3: Pensions

1a) A self-employed electrician has asked your firm for some help in funding for their retirement; Explain to him in detail the mechanics of a Personal Pension and a PRSA and outline the main differences of both contracts.

1b) Your client, Joe Bloggs is reaching 65. His health has not been great lately. He has accumulated €3.4 million in his Executive Pension fund. He has not previously accessed any benefits.

In advance of your meeting with him:

- Set out an explanation of Chargeable Excess Tax
- Calculate his liability.

2a) Using details from 1b above, Joe is confused by the term ARF; set out a short memo highlighting what an ARF is and give 3 advantages of investing into an ARF over an annuity.

3) A potential client aged 64 has ran their own limited company for 25 years. They have never set up a pension fund and are worried that it is too late. Based on their salary of €75,000; explain to them how funding for tax-free cash only would be of benefit to them.

Topic 4: Life Assurance

1) An employee with has been offered entry to his employer's Death in Service scheme but he already has Pension Term Assurance in place. Explain briefly the differences of both covers.

2) A client of yours has just been approved for a mortgage and is concerned about how best to protect himself in the long-term against being unable to work and maintaining his mortgage payments. Compare and contrast Income Protection and Serious Illness cover as a means of providing him with the best solution.

Guidance Notes

Your answers should be based on the text contained within chapter 1 of the textbook.

3) Quantifying the need for life cover can be difficult. Mary and Joe have asked for your help - they are aged 44 with 3 children aged 13, 10 & 7. Joe's income is €120,000 and he has Death in Service cover with his employer of €350,000. Mary's income is €135,000 and she has S785 Personal Term Assurance of €300,000. They are mortgage free. The cost of their childcare is €1200 per month. Cover is to be in place for a 15-year term.

Following the Step-by-Step guide from the textbook; quantify the level of cover that this family might need.

Topic 5: Investments

1) Investing in shares can be considered high risk due to their volatility. In your own words, outline why a client should consider shares as an investment option.

1b) Employee Share Incentive schemes are attractive to many employers. Your colleague is looking for help with a blog for your firms' website. List and explain to her in a short memo the 3 different options open to employers.

2) Your local paper is running a 'readers questions' section and have asked for your firm's help with any financial planning queries. A couple in their 50s has written in seeking advice. They have a lump sum which they would like to generate an income from.

Explain some of the products which may be suitable for generating income for them, including the risks and benefits of these plans.

Topic 6: Loans

1a) The Help to buy incentive scheme is designed to help first-time buyers to fund their deposit. A cousin of yours has heard about the scheme in January 2023 and asks your help in explaining how it works. Send them a brief email outlining how it operates.

2) A client of yours has recently received a windfall and is looking for some guidance as to whether they should repay their Mortgage or invest the lump sum. Explain to them 5 important factors that they should consider before making their decision.

3a) Housing loans can be compared under several headings: outline 5 of these headings.

3b) Using the CCPC website <https://www.ccpc.ie/consumers/money-tools/mortgage-comparisons>, under the switcher tab, look at the outcome of the following scenario:

- House value: €325,000
- Mortgage outstanding: €210,000
- Time remaining: 11 years
- Current monthly repayment: calculate

Topic 7: Making a Recommendation

1) Affordability is a big issue with many clients, budgets tend to be constraint. You have met a young couple with 3 small children. The husband and wife both work; earning €45,000 and €70,000 respectively. They have no cover at all however their budget is quite tight at €350 per month, they want to save money for the future out of this budget.

Explain to them how financial needs should be prioritised.

1b) You had discussed both Dual Life Level Term & Decreasing Term cover of €600,000 to protect the family against premature death. The clients have decided to proceed with Joint Life first death Decreasing Term cover of €600,000.

What sample wording would you include in your Statement of Suitability to ensure the clients are aware of the consequences of having cover whereby the sum assured reduces over time?

2) What warnings should be included in a Retirement Funding need Statement of Suitability?

Topic 8: Client Reviews

1) A new client that has recently come on board with your firm and does not understand the need for annual reviews. Send them a brief email outlining why annual reviews are so important.

1b) Your firm is trying to update some of the client services procedures. Your boss, Maura has asked for your help in putting together a template for a Review Meeting Agenda and Checklist that can be used in client review meetings. Set out some items that you think should be included in these documents.

2) Your client aged 59 has a €750,000 Pension fund with a leading provider placed through your firm. They were recently made redundant and need to review their exposure to Investment risk. In advance to your meeting with them, outline some of the main ways of controlling risk in their portfolio.

Guidance Notes

Keep your answers brief and please use your own words where possible.

Appendix 1: Case Study Marking Form

Case Study No.		Topic No.	
Topic Title:		Insurance Module:	
Learning Outcome:			

To be completed by the Apprentice :			
I confirm that all the work on the case study is my own work.			
Signed:		Date:	
Apprentice Student Number:			

To be completed by the Supervisor :		
Checklist (please circle pass or fail as appropriate):		
Attempt 1	Attempt 2	Attempt 3
Pass / Fail	Pass / Fail	Pass / Fail
PRINT Name:		
Signed:		
Date:		