

R04 Pensions & Retirement

Exam Overview



R04 Pensions & Retirement Planning is the pensions unit of the CII Level 4 Diploma in Regulated Financial Planning. It is a 50-question multiple-choice paper covering the HMRC tax regime for pensions, defined benefit and defined contribution schemes, drawing pension benefits, the State Pension and retirement planning. The 2023 abolition of the Lifetime Allowance reshaped a large part of the syllabus.

This guide is a primer. It covers the format, the marking, the study approach that works for time-poor working advisers, and the most common reasons candidates underperform. Use it to plan your preparation. For the deep-dive tactical material — 300 MCQs, build-your-own mock exams and one-to-one expert support — see R0 Hub's full R04 preparation suite at r0hub.com.

One-Hour Exam



50 multiple-choice questions in 60 minutes.

Pensions Unit



Tax regime, DB, DC, drawing benefits, State Pension.

50

Total questions — 39 standard + 11 multi-response.

65%

CII pass mark — 33 of 50 to pass.

Sit On Demand



Computer-based — book any working day at a test centre.

Post-LTA Era



LSA and LSDBA replaced the Lifetime Allowance from April 2024.

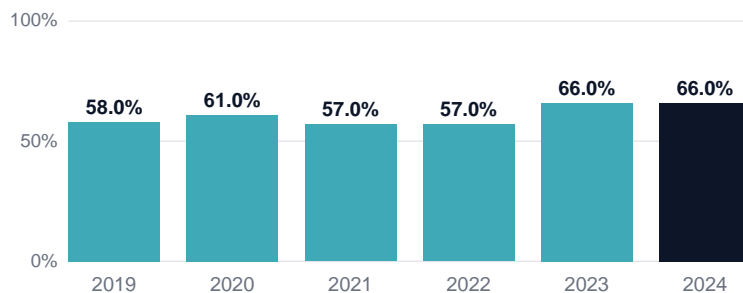
50 hrs

CII recommendation — most candidates need closer to 60.

10 cr

Credits at RQF Level 4 — half the credits of other R0 units.

National Pass Rates



Recent trend: 66%

R04 pass rates jumped notably in 2023 — from 57% to 66% — and held there in 2024. The improvement coincides with the Lifetime Allowance abolition simplifying part of the syllabus. Even so, one in three candidates still fail. Pension legislation moves quickly, so currency matters more here than in any other R0 unit. The pass mark is fixed at 65%.

Source: National pass rate data published by the CII (collated by Wizard Learning and Brand Financial Training).

Topics That Recur in Every Sitting

Allowances

Annual Allowance, MPAA, tapered AA — heaviest topic in every paper.

DC Schemes

Contributions, tax relief, salary sacrifice, contract types.

DB Schemes

Accrual, CETV, transfer rules, safeguarded benefits.

Drawing Benefits

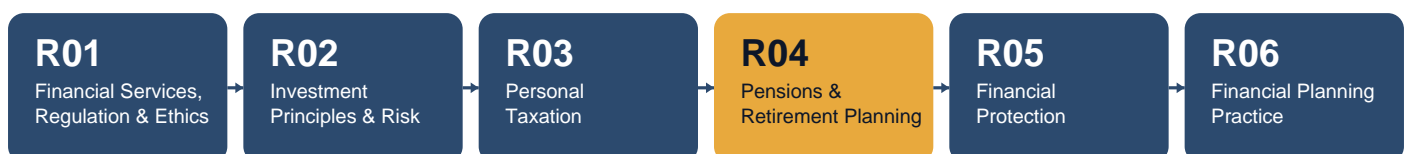
FAD, UFPLS, annuities, PCLS, the new LSA and LSDBA.

State Pension

New State Pension, NI record, deferral, triple lock.

Where R04 Sits in the Diploma

R04 is the pensions unit. Best taken after R03 — pension tax computations build directly on Income Tax mechanics.



How to Prepare

Building Your R04 Study Plan



Preparation Strategy

Where you spend your time matters more than how much time you spend.

A practical study framework for time-poor working advisers — by R0 Hub

When to Start Studying

8–12 weeks

If new to UK pensions.

5–7 weeks

If you advise on pensions.

R04's challenge is the breadth of pension rules combined with how often they change. The HMRC tax regime alone — annual allowance, MPAA, taper, carry forward, the new LSA and LSDBA — is the heaviest topic in every paper. Layered on top are DB and DC scheme mechanics, drawing benefits, the State Pension and retirement planning. Candidates who rely on materials more than 12 months old routinely walk into outdated questions.

How to Study

- **Master the allowance regime first.**
Annual Allowance, MPAA, tapered AA and carry forward — the highest-loaded topic. Drill the calculations until automatic.
- **Learn the post-LTA framework cold.**
LSA (£268,275), LSDBA (£1,073,100), permitted maximum, transitional protections — all new since April 2024 and tested heavily.
- **Build a pension figures cheat sheet.**
Allowances, lump sum limits, State Pension rates, NI thresholds. Refresh whenever the tax year changes.
- **Practise drawing-benefit scenarios.**
FAD, UFPLS, annuities, PCLS recycling rules. Apply the rules to client scenarios — not just from memory.
- **Sit timed mocks early and often.**
50 questions in 60 minutes is tight. Build the pace from week 3, not week 7.

Key Facts

Format	50 MCQs (39 std + 11 multi)
Duration	1 hour
Pass Mark	65% (33 of 50)
Latest Pass Rate	66% (2024)
Sittings	Year-round, computer-based
Recommended Study	50 hours (CII)
Credits	10 (RQF Level 4)
Calculator	Allowed — non-programmable
Tax Year Tested	2025/26 from Sep 2025

Common Mistakes

- Using pre-2024 LTA framework still.
- Mixing up the LSA and LSDBA limits.
- Forgetting MPAA triggers and consequences.
- Misapplying the tapered AA threshold.
- Confusing FAD and UFPLS tax treatment.
- Getting the carry forward order wrong.
- Skipping the State Pension topic entirely.

The Final Two Weeks

How the strongest candidates spend the fortnight before sitting R04.

Days 1–2

Sit a baseline mock. Identify weakest topic.

Days 3–6

Allowance regime drills (AA, MPAA, taper, carry forward).

Days 7–10

DB / DC mechanics, drawing benefits, multi-response.

Days 11–13

Full timed mocks back to back. Build pace.

Day 14

Light review. Confirm pension figures. Sleep well.

Question Mix: A Quick Reference

Every question is worth 1 mark. You need 33 to pass — but pension legislation currency matters as much as pace.

39 standard

One correct answer from four. The bulk of the paper.

11 multi-response

All correct options must be selected. No partial credit.

33 to pass

65% pass mark — fixed. Score 33 of 50 questions correctly.

~72 sec each

Pace at one minute fifteen — pension scenarios take time to read.

Tips for Success

o o o What the Markers Reward



Why Candidates Fail

The five reasons that come up year after year — and how to avoid each one.

Synthesised from CII candidate feedback and tutor observations across recent R04 sittings.

- 1 Outdated pension materials cost easy marks.**
The LTA was abolished in April 2024. Candidates revising from 2023 materials walk into questions where the right answer no longer exists.
- 2 The Annual Allowance regime is rushed.**
Annual Allowance, MPAA, tapered AA and carry forward — the heaviest topic in every paper. Candidates who skim it lose marks across multiple questions.
- 3 DB transfer rules are misunderstood.**
Safeguarded benefits, the £30,000 advice threshold, CETV mechanics — frequently tested and frequently misanswered.
- 4 Drawing-benefit options blur together.**
FAD, UFPLS, scheme pension and annuity each have distinct tax treatment. Candidates often confuse the lump sum and income elements.
- 5 State Pension is treated as background.**
New State Pension, NI record requirements, deferral and the triple lock all feature in the paper. Skipping it leaves several easy marks behind.

Quick Wins on Exam Day

- Note current AA, MPAA and LSA limits on scratch paper at the start.
- Treat any DB transfer question as a process question first.
- Watch for 'in the tax year 2025/26' wording — figures matter.
- On multi-response, only tick options you can defend with reason.
- When pension benefits are drawn, work the tax-free element separately.
- Reserve the last 5 minutes to review every flagged question.

R0 Hub by the Numbers

300+

MCQs in our
R04 question bank

All LOs

Weighted to match
the real exam

∞

Build-your-own
exam combinations

1:1

Chat with our
content expert

Your R04 toolkit, all in one place

R0 Hub gives serious R04 candidates the tactical edge:

- 300 MCQs covering the full R04 syllabus
- Questions cover all LOs at the same weighting as the real exam
- Progress tracking by weak area
- Timed or practice exams with detailed explanations
- Build your own exam — filter by topic, LO or calculation-style questions
- Chat to our content expert — ask any question in the run-up to exam day
- Study card feature lets you build custom notes as you revise

Find the full R04 suite at r0hub.com.