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# Handbook

PFA2 – VTCT (Skillsfirst) Level 2 Award in Introduction  
to Personal Finance (RQF)

603/3791/6

Version 2.0

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# About Skillsfirst

VTCT is a market-leading Awarding, Assessment and End-point Assessment (EPA) Organisation offering vocational and technical qualifications in a range of 'services to people' sectors.

The VTCT group of companies are comprised of three innovative awarding brands: VTCT, ITEC and Skillsfirst. Together they have over 2,500 approved centres in over 40 countries across the world.

The qualifications suite offered by VTCT (Skillsfirst) spans a range of sectors including Childcare, Business Services, Health & Social Care, Recruitment and Social Media.

For more information visit us at [www.vtct.org.uk](http://www.vtct.org.uk) and [www.skillsfirst.co.uk](http://www.skillsfirst.co.uk), contact our dedicated Customer Support Team via email at [customersupport@vtct.org.uk](mailto:customersupport@vtct.org.uk) and [customerservices@skillsfirst.co.uk](mailto:customerservices@skillsfirst.co.uk) or call 0121 270 5100

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# 1 Qualification at a glance

<b>Qualification title</b>	VTCT (Skillsfirst) Level 2 Award in Introduction to Personal Finance (RQF)
<b>Qualification number</b>	603/3791/6
<b>Product code</b>	PFA2
<b>Age range</b>	There are age limits attached to learners undertaking this qualification as this qualification is not approved for learners under the age of 16.
<b>Total Qualification Time (TQT)</b>	53
<b>Guided Learning (GL) hours</b>	46
<b>Assessment</b>	To be awarded this qualification, learners must successfully achieve the following assessments: <ul style="list-style-type: none"><li>• Portfolio of evidence</li></ul>
<b>Entry requirements</b>	There are no formal entry requirements for learners undertaking this qualification; however, centres must ensure that learners have the potential and opportunity to gain evidence for the qualification in the work place.
<b>Support materials</b>	Support materials can be found on the website (if applicable)

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## 2 Qualification information

### 2.1 Qualification aim and design

This qualification has been developed for the widest range of learners possible: young people, students and adults, those who are entering further or higher education or pre-employment, recently unemployed or between jobs. It has been designed to meet the needs of learners who wish to gain a knowledge and understanding of the principles of saving and borrowing money, sources of income and expenditure, the need to manage income and expenditure, financial products and services, different forms of pay, how to budget and the use of credit.

The range of units contained in this qualification will allow the learner to develop and practise the financial skills required for life, without requiring or proving occupational competence. This qualification could also prove invaluable toward the learner's own personal and career development.

### 2.2 Progression opportunities

On completion of the Skillsfirst Level 2 Award in Introduction to Personal Finance (RQF), it might be possible to progress onto the following qualifications.

- Level 2 Certificate in Computerised Accounting for Business (RQF)
- Level 2 Certificate in Computerised Payroll for Business (RQF)
- Level 2 Certificate in Payroll for Business (RQF)

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## 3 Qualification structure

To be awarded the VTCT (Skillsfirst) Level 2 Award in Introduction to Personal Finance (RQF) learners must achieve all mandatory units.

The minimum TQT required to achieve this qualification is **53**.

Product code	Unit title	Level	GLH	Unit reference number
<b>Mandatory units (Group M):</b>				
PF1	Understanding personal finance	2	26	H/617/3040
PF2	Understanding money management	2	20	K/617/3041

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## 4 Centre requirements

### 4.1 Resources

Centres must possess the physical resources needed to support the delivery of the programme and the assessment of knowledge and skills, which should therefore be of industry standard. Where specific resources are required these have been indicated in individual units.

### 4.2 Occupational expertise of those who deliver, provide expert witness, assess performance, moderate/verify assessments

This handbook provides details of the assessment strategy, which centres will need to apply in order to assess and quality assure the Level 2 Award in Introduction to Personal Finance (RQF) and includes the:

- occupational expertise of those who deliver, assess and moderate/verify assessments
- continuous professional development
- summary of assessment methods

### 4.3 Deliverers, assessors and internal moderators/verifiers

Deliverers, assessors and internal verifiers (IVs) are appointed by the recognised centre and approved by Skillsfirst Awards through the external verifier (EV).

While the Training, Assessment and Quality Assurance (TAQA) units and the assessor/verifier (A/V) units are valued as qualifications for centre staff, they are not currently a requirement for these qualifications. However, staff should hold, or be working towards, teaching/training qualifications and have sufficient experience and/or qualifications for competent delivery and assessment of the unit.

Centre staff may undertake more than one role, e.g. tutor and assessor or internal verifier, but must never internally verify their own assessments.

### 4.4 Continuous professional development (CPD)

Centres are responsible for ensuring that assessors and IVs plan and maintain their CPD. Centres are also expected to support their assessors and IVs in ensuring that their knowledge remains current of the occupational area and of best practice in delivery, mentoring, training, assessment and verification, and that it takes account of any national or legislative developments.

Centres may have generic criteria and personnel specifications in addition to the above.

### 4.5 Total Qualification Time (TQT)

Each qualification has a Total Qualification Time (TQT) value based on the total number of hours learning required to achieve it. The TQT value reflects the number of supervised learning hours required to achieve the knowledge and assessment requirements, plus the length of time a learner would need to take to achieve the skills and capabilities to be deemed competent. All RQF qualifications are subject to an evaluation process to determine their fitness-for-purpose.

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# 5 Assessment

## 5.1 Summary of delivery and assessment methods

For the Level 2 Award in Introduction to Personal Finance (RQF), learners will be required to provide a portfolio of evidence which meets all the assessment criteria within the unit.

## 5.2 Suggested delivery strategy

Deliverers should familiarise themselves with the structure, content and assessment requirements of the unit within the qualification before designing a learning programme. It is suggested that centres design learning programmes that

- best meets the needs and capabilities of their learners and
- satisfies the learning outcomes and assessment criteria of the unit

Delivery of the programme could be either classroom-based or e-learning, or a blended approach

## 5.3 Characteristics of assessment guidance

The learner may produce evidence from a range of examples (as outlined below) which should be recorded in some form. A record of evidence will confirm to the assessor their confidence in the learner's breadth and depth of knowledge and understanding in being able to competently meet the functional requirements of all the units. The assessor will need to be assured that the learner can meet all the learning outcomes of a unit and pass all the assessment criteria of a unit.

An assessor may request additional evidence if they are not satisfied with the evidence presented by the learner. If this occurs, it may need to be agreed in partnership with the learner and the assessor

## 5.4 Types of evidence

Evidence is not required in any pre-set format and may be of many types and from diverse sources. Examples of types of evidence might include:

- learner statement
- notes
- review and tutorial records
- report
- diary
- worksheet
- audio/video recorded
- discussion/presentation/interview
- assessor observation
- witness statement
- product
- workbook/e-assessment

Please note that centres are not restricted to the types of evidence listed above.

## 5.5 Professional discussion

Professional discussion is encouraged as a supplementary form of evidence to confirm a learner's competence. Such discussions should not be based on a prescribed list of questions, but be a structured discussion which enables the assessor to gather relevant evidence to ensure the learner has a firm understanding of the standard being assessed.



## 5.6 Simulation and witness testimony

Simulation or witness testimony is warranted where the centre can demonstrate that performance evidence has been impossible to obtain.

### 5.6.1 Simulation

Simulation can only be used to assess learners where the opportunity to assess naturally occurring evidence is unlikely or not possible. All units within this qualification can be solely achieved by simulation.

### 5.6.2 Witness testimony

Skillsfirst recognises the use of occupationally competent witness testimony and expert witness testimony as appropriate methods for assessors to collect evidence on a learner's performance.

Witness testimonies can also be obtained from people who are not occupationally competent and do not have a knowledge of the national occupational standards

## 5.7 Recognition of prior learning (RPL)

RPL is a method of assessment that considers whether a learner can demonstrate that they can meet the assessment requirements for a component of a qualification through knowledge, understanding or skills that they already possess and do not need to develop through a course of learning.

Should any opportunities for RPL be identified, it is important that a complete process of recognising prior experience and learning is undertaken, by ensuring that:

- it covers relevant or appropriate experience for previous activities, as well as accredited learning and qualifications
- it is incorporated into the assessment planning, with details of how this will take place
- mapping of prior learning to the national occupational standards to identify gaps is documented and auditable
- assessment methods or processes for recognising prior experience and learning, are documented and made available to the external verifier
- the audit trail covers the whole process and methodology of RPL
- the authenticity and currency of presented evidence is established by the assessor

This evidence will need to be referenced clearly on recording documentation and will need to be appropriately authenticated and validated, perhaps by an employer or expert witness.

Assessment must be valid and reliable to ensure the integrity of the award. The evidence gathered must meet the standards of the qualification or component and the assessment process must be subject to the same quality assurance procedures as any other assessment process.

In summary, evidence submitted to the RPL process must:

- be authentic and prove conclusively that RPL is based on the learner's own work;
- meet the requirements of the current the skills and knowledge requirements and be appropriate to the content of the component or qualification being considered for RPL;
- be sufficient to conclusively prove consistency of learner performance in meeting the skills and knowledge requirements

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# 6 Units

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# Unit Handbook

## PF1 – Understanding personal finance

Unit reference number: H/617/3040

**Level: 2**

**Guided Learning (GL) hours: 26**

### Unit aim

The aim of this module is to develop learners' knowledge and understanding of the principles of saving and borrowing money, the sources of income and expenditure and the different financial products and services. They will also gain an understanding of the need to manage income and expenditure.

### Learning outcomes

There are four outcomes to this unit. The learner will:

LO1 Understand the principles of saving and borrowing money

LO2 Understand sources of income and expenditure

LO3 Understand the need to manage income and expenditure

LO4 Understand financial products and services

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# Unit content

## Evidence requirements

Learners must provide a portfolio of evidence for this module.

## Assessment guidance

**Saving accounts** could include:

- instant access savings accounts
- notice savings accounts
- regular saver accounts
- individual savings accounts (ISAs)
- fixed-rate bonds

**State benefits** could include:

- Universal Credit, which has replaced Child Tax Credit, Housing Benefit, Income Support, Income-based Jobseeker's Allowance (JSA). Income-related Employment and Support Allowance (ESA) and Working Tax Credit
- personal independence payment (PIP)
- attendance allowance
- winter fuel payments and Christmas bonus
- free TV licence for over-75s
- maternity allowance

**A contingency fund** is defined as an amount of money set aside to cover possible unforeseen future expenses.

**A serious debt problem** is when the payments for the amount owing are either higher than income or not providing sufficient disposable income to live.

# Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Understand the principles of saving and borrowing money	1.1 Describe the advantages of saving and borrowing money
	1.2 Explain the disadvantages of saving and borrowing
	1.3 Identify the types of the financial rewards from different <b>saving accounts</b>
	1.4 Describe the financial costs of short term and long term borrowing

Learning Outcome	Assessment Criteria
LO2 Understand sources of income and expenditure	2.1 Identify types of: <ul style="list-style-type: none"> <li>• earned and unearned sources of income</li> <li>• work-related and non-work-related expenditure</li> </ul>
	2.2 Describe the situations which allow access to <b>state benefits</b>

Learning Outcome	Assessment Criteria
LO3 Understand the need to manage income and expenditure	3.1 Explain the benefits of the effective management of personal finance
	3.2 Describe the problems which may arise if expenditure is greater than income
	3.3 Describe the methods used to reduce personal expenditure and/or generate income
	3.4 Explain the need for <b>a contingency fund</b>
	3.5 Identify sources of support for <b>serious debt problems</b>

Learning Outcome	Assessment Criteria
LO4 Understand financial products and services	4.1 Identify the types of products and services provided by banks and building societies
	4.2 Compare the advantages and disadvantages of different types of accounts
	4.3 Compare the risks and rewards involved in shares and other types of investments

## PF1 Document History

Version	Issue Date	Changes	Role
V1.0	31/01/2023	Re-branded	Qualification Administrator

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# Unit Handbook

## PF2 – Understanding money management

Unit reference number: K/617/3041

**Level: 2**

**Guided Learning (GL) hours: 20**

### Unit aim

The aim of this module is to develop learners' knowledge and understanding of the difference between gross and net pay and the deductions made on a payslip and the use of credit to borrow money. They will also gain an understanding of how to create a budget to cover expenses.

### Learning outcomes

There are three outcomes to this unit. The learner will:

LO1 Understand the difference between gross and net pay and the deductions made on a payslip

LO2 Know how to create a budget to cover expenses

LO3 Understand the use of credit to borrow money

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# Unit content

## Evidence requirements

Learners must provide a portfolio of evidence for this module.

## Assessment guidance

A **budget plan** is defined as formal way of determining in advance whether there will be enough money to do the things that are needed to be done or would like to be done.

**Investing** could include putting money into:

- stocks and shares
- bonds
- a pension
- property



# Learning outcomes

Learning Outcome	Assessment Criteria
LO1 Understand the difference between gross and net pay and the deductions made on a payslip	1.1 Explain the meaning of the different numbers shown on a pay slip
	1.2 Explain the difference between gross and net pay
	1.3 On a payslip, identify the <ul style="list-style-type: none"> <li>• total gross amount to be paid</li> <li>• deductions made from a payslip</li> <li>• the net amount of pay</li> </ul>
	1.4 Explain the reason for each deduction
	1.5 Describe the possible additions that can be made to a pay slip

Learning Outcome	Assessment Criteria
LO2 Know how to create a budget to cover expenses	2.1 Explain how to draw up a <b>budget plan</b> to manage expenses over a 5 day period
	2.2 Describe how to represent total expenditure as a percentage of income

Learning Outcome	Assessment Criteria
LO3 Understand the use of credit to borrow money	3.1 Identify different sources of credit
	3.2 Explain how to use credit responsibly for expenditure and <b>investing</b>
	3.3 Describe the potential problems of using credit

## PF2 Document History

Version	Issue Date	Changes	Role
V1.0	31/01/2023	Re-branded	Qualification Administrator

## PFA2 Document History

Version	Issue Date	Changes	Role
v2.0	31/01/2023	Formatting and re-branding. No content amendment.	Data Administrator