



**Pensions
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Moving pensions forward

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VOCATIONAL QUALIFICATIONS

DEATHS PART 1

DEATH BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

TUESDAY 12 MARCH 2019

2.00 PM – 4.30 PM

TIME ALLOWED:

2 HOURS 30 MINUTES

1. Answer **ALL** the questions.
2. Write all your answers in the answer book provided.
3. Begin each question on a new page.
4. Show all workings clearly.
5. Calculate the benefits using only the information given.
6. Where the benefits are likely to exceed the remaining Individual Lifetime Allowance, state in your answer book that you would refer the case to your manager.
7. Factors must be rounded in accordance with the instruction in the Table of Factors. Round all other figures to two decimal places (or whatever is the normal practice where you work).

Questions

Section A

Calculate the death benefits / options for:

1. **JANE SMITH – (XYZ)**
2. **CARL BLACK – (RST)**
3. **PRETA NDOVU – (RST)**
4. **FELICITY COURAGE – (OPQ)**
5. **ALFRED TRUMAN – (XYZ)**

Section B

6. Write a letter explaining the benefits payable and the options available in respect of **ALFRED TRUMAN**.

The letter may be addressed either to the beneficiary or to the Trustees (whichever is the normal practice in the organisation for which you work).

Please note: Candidates must not sign letters with their own names. Letters should be signed “A N Other”.

CASE STUDY DETAILS**XYZ SCHEME****DEATHS PART 1
QUESTION 1****Event history**

Date of first event **12/01/2001** First event **PRESERVED LEAVER**
Date of second event **05/03/2019** Second event **DEATH**

Member details

Surname **SMITH** Forenames **JANE**
Date of birth **16/03/1968** Gender **FEMALE**
Spouse's date of birth **12/09/1970**
Dependent child's date of birth
Date of joining company **28/02/1986**
Date of joining scheme **28/03/1986**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018

Contribution history

Total member's normal contributions **£ 43,986.20**
Total member's AVCs **£**
Current value of AVCs **£**
Single life AVC pension (per annum) payable immediately **£**
Joint life AVC pension (per annum) payable immediately **£**

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £ 95.16

Post 05/04/1988

GMP (per annum) £ 2,863.12

Special circumstances / additional information

Preserved pension (per annum) at date of first event £ 14,301.48

Lower of 5.0% / RPI increases from date of first event to date of second event is 65.1%.

Jane Smith's current available Lifetime Allowance is 68.14%.

CASE STUDY DETAILS**RST SCHEME****DEATHS PART 1
QUESTION 2****Event history**

Date of first event **15/12/2016** First event **RETIREMENT**
Date of second event **01/03/2019** Second event **DEATH**

Member details

Surname **BLACK** Forenames **CARL**
Date of birth **15/12/1951** Gender **MALE**
Spouse's date of birth **17/02/1964**
Dependent child's date of birth
Date of joining company **19/02/2005**
Date of joining scheme **06/04/2005**

Earnings history for the scheme year ending 5 April

2010	2011	2012	2013	2014	2015	2016	2017	2018

Contribution history

Total member's normal contributions **£ 27,795.63**
Total member's AVCs **£**
Current value of AVCs **£**
Single life AVC pension (per annum) payable immediately **£**
Joint life AVC pension (per annum) payable immediately **£**

Pre 6 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £

Post 5 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £

Special circumstances / additional information

Pension in payment at date of second event is £4,087.80 per annum, which is split as follows:

Pre 6 April 2006 pension (per annum)	£	591.48
Post 5 April 2006 pension (per annum)	£	3,496.32

Lower of 5.0% / RPI increases from date of first event to date of second event is 6.0%.

Lower of 2.5% / RPI increases from date of first event to date of second event is 4.5%.

On retirement, Carl Black commuted £2,276.95 per annum of pension in return for a tax-free cash sum of £31,421.91. The commuted pension was split as follows:

Pre 6 April 2006 pension (per annum)	£	
Post 5 April 2006 pension (per annum)	£	2,276.95

Carl Black's current available Lifetime Allowance is 87.43%.

CASE STUDY DETAILS**RST SCHEME****DEATHS PART 1
QUESTION 3****Event history**

Date of first event **28/02/2019** First event **DEATH**

Date of second event Second event

Member details

Surname **NDOVU** Forenames **PRETA**

Date of birth **29/11/1963** Gender **FEMALE**

Spouse's date of birth **02/01/1970**

Dependent child's date of birth **23/09/2003**

Date of joining company **11/08/1994**

Date of joining scheme **06/04/1995**

Earnings history for the scheme year ending 5 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
42,956	43,500	44,625	48,950	41,550	42,700	44,960	45,128	48,320

Contribution history

Total member's normal contributions **£ 56,387.18**

Total member's AVCs **£**

Current value of AVCs **£**

Single life AVC pension (per annum) payable immediately **£**

Joint life AVC pension (per annum) payable immediately **£**

Pre 6 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £ 6,119.67

Post 5 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £ 7,874.91

Special circumstances / additional information

Contractual Salary at date of first event £ 48,150.00

Pro-rata CPI from 6 April 2018 to date of first event is 2.30%.

Preta Ndovu's current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**OPQ PLAN****DEATHS PART 1
QUESTION 4****Event history**

Date of first event **08/03/2019** First event **DEATH**

Date of second event Second event

Member details

Surname **COURAGE** Forenames **FELICITY**

Date of birth **06/01/1963** Gender **FEMALE**

Spouse's date of birth **25/06/1968**

Dependent child's date of birth

Date of joining company **07/09/1996**

Date of joining plan **07/09/1996**

Target retirement date **06/01/2021**

Annual salary history for the plan year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
52,950	53,621	54,305	55,900	58,663	60,200	62,390	64,885	66,700

Contribution history

Total member's normal contributions £ **48,993.20**

Total employer's normal contributions £ **78,389.12**

Total member's AVCs £

Personal Retirement Account details

Member's Current Unit Holdings

Fund	Member's normal contributions	Employer's normal contributions	Member's AVCs
	Unit Holdings	Unit Holdings	Unit Holdings
Global Equity Fund			
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	45,914.4480	73,463.1255	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.319
Index Linked Bond Fund	1.361
Balanced Fund	4.484
Corporate Bond Fund	1.598
Cash Fund	1.152

Special circumstances / additional information

Felicity Courage's current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**XYZ SCHEME****DEATHS PART 1
QUESTION 5****Event history**

Date of first event **06/03/2019** First event **DEATH**
Date of second event Second event

Member details

Surname **TRUMAN** Forenames **ALFRED**
Date of birth **29/10/1948** Gender **MALE**
Spouse's date of birth **05/02/1953**
Dependent child's date of birth
Date of joining company **06/11/1997**
Date of joining scheme **06/11/1997**
Category of membership **B**

Pensionable salary history for the scheme year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
89,500	90,160	92,000	93,000	94,000	95,100	96,000	101,550	105,900

Contribution history

Total member's normal contributions **£**
Total member's AVCs **£**
Current value of AVCs **£**
Single life AVC pension (per annum) payable immediately **£**
Joint life AVC pension (per annum) payable immediately **£**

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £

Post 05/04/1988

GMP (per annum) £

Special circumstances / additional information

Salary at date of first event £ 125,698.15

Alfred Truman's Final Pensionable Salary at 3 July 2011 was £90,160.00.

Lower of 5.0% / RPI increases from 4 July 2011 to Normal Pension Date is 6.3%.

Alfred Truman's current available Lifetime Allowance is 70.16%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)