



**Pensions
Management
Institute**
Moving pensions forward

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VOCATIONAL QUALIFICATIONS

TRANSFERS IN AND TRANSFERS OUT

THURSDAY 6 SEPTEMBER 2018

1.30 PM – 4.30 PM

TIME ALLOWED:

3 HOURS

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. 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 transfer values of the benefits accrued by:

1. **ANGUS LEIGHTON – (RST)**
2. **ROSE BLACK – (OPQ)**
3. **JESSIE HUDSON – (XYZ)**

Calculate the benefits that can be provided by the transfer values received under the relevant scheme/plan for:

4. **ADAM SHIRLEY – (RST)**
5. **ABHISHEK KUMAR – (OPQ)**
6. **JENNIFER STANFORD – (XYZ)**

Section B

7. Write a letter concerning **ROSE BLACK** explaining the transfer out alternative and providing information as appropriate.

The letter may be addressed either to the member or to the Trustees or to the receiving scheme / insurance company (whichever is the normal practice in the organisation for which you work).

8. Write a letter concerning **ADAM SHIRLEY** explaining the benefits available in exchange for the transfer value and providing information as appropriate.

The letter may be addressed to the member 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**RST SCHEME****TRANS
FERS
QUESTION 1****Event history**

Date of first event	20/08/2018	First event	PRESERVED LEAVER
Date of second event	04/09/2018	Second event	TRANSFER OUT

Member details

Surname	LEIGHTON	Forenames	ANGUS
Date of birth	01/06/1971	Gender	MALE
Spouse's date of birth	04/05/1970		
Dependent child's date of birth			
Date of joining company	12/02/1993		
Date of joining scheme	06/04/1993		

Contribution history

Total member's normal contributions	£	19,121.43
Post 05/04/1997 member's normal contributions	£	16,062.00
Total member's AVCs	£	12,129.43
Current value of AVCs	£	13,213.72

Preserved benefits

Member's total pension at age 65 (per annum): £ 23,432.99

Including:

- Member's pension earned between 06/04/1997 and 05/04/2006 at age 65 (per annum) £ 8,423.22
- Member's pension earned from 06/04/2006 at age 65 (per annum) £ 11,266.11

Special circumstances / additional information

Spouse's pension on death after retirement (per annum) £ 9,373.20

Adjustment factor 0.99

CASE STUDY DETAILS**OPQ PLAN****TRANSFERS
QUESTION 2****Event history**

Date of first event	30/07/2018	First event	PRESERVED LEAVER
Date of second event	01/09/2018	Second event	TRANSFER OUT

Member details

Surname	BLACK	Forenames	ROSE
Date of birth	07/02/1963	Gender	FEMALE
Spouse's date of birth	12/09/1969		
Dependent child's date of birth			
Date of joining company	07/02/1994		
Date of joining plan	07/02/1994		
Target retirement date	07/02/2023		

Contribution history

Total member's normal contributions	£	12,592.73
Total employer's normal contributions	£	20,148.37
Total member's AVCs	£	6,932.42

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			660.2483
Corporate Bond Fund	1,199.3400	1,918.9440	
Cash Fund			
Lifestyle Fund	4,192.4336	6,707.8937	1,872.4580

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.211
Index Linked Bond Fund	1.308
Balanced Fund	4.330
Corporate Bond Fund	1.524
Cash Fund	1.019

Special circumstances / additional information

THIS ANSWER ALSO REQUIRES A LETTER (QUESTION 7)

CASE STUDY DETAILS**XYZ SCHEME****TRANS
FERS
QUESTION 3****Event history**

Date of first event	30/07/2018	First event	PRESERVED LEAVER
Date of second event	02/09/2018	Second event	TRANSFER OUT

Member details

Surname	HUDSON	Forenames	JESSIE
Date of birth	13/05/1962	Gender	FEMALE
Spouse's date of birth	12/11/1969		
Dependent child's date of birth			
Date of joining company	06/09/1994		
Date of joining scheme	06/10/1994		
Category of membership	A		

Contribution history

Total member's normal contributions	£	20,921.41
Post 05/04/1997 member's normal contributions	£	18,662.11
Total member's AVCs	£	10,001.39
Current value of AVCs	£	11,292.45

Preserved benefits

Member's total pension at age 65 (per annum)	£	18,924.39
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Including:

- | | | |
|---|---|------------------|
| • Post 05/04/1997 pension at age 65 (per annum) | £ | 16,880.75 |
| • Pre 06/04/1988 GMP at age 65 (per annum) | £ | |
| • Post 05/04/1988 GMP at age 65 (per annum) | £ | 516.36 |
| • Total GMP at exit (per annum) | £ | 171.60 |

Special circumstances / additional information

Spouse's pension on death after retirement (per annum)	£	9,462.20
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Adjustment factor		0.98
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CASE STUDY DETAILS**RST SCHEME****TRANSFERS
QUESTION 4****Event history**

Date of first event	03/09/2018	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	SHIRLEY	Forenames	ADAM
Date of birth	04/04/1976	Gender	MALE
Spouse's date of birth	04/10/1972		
Dependent child's date of birth			
Date of joining company	08/03/2018		
Date of joining scheme	06/04/2018		

Contribution history

Total member's normal contributions	£	1,923.44
Total member's AVC	£	
Current value of AVCs	£	

Preserved benefits from previous scheme

Pension payable at age 65 (per annum) £ 13,976.44

Transfer value details from previous scheme

Member's total transfer value £ 49,721.39

Including:

- Member's total contributions £ 20,777.77
- Transfer value in respect of post 05/04/1997 benefits £ 46,501.58
- Member's post 05/04/1997 contributions £ 19,432.26
- Transfer value in respect of post 05/04/2006 benefits £ 26,161.01
- Member's post 05/04/2006 contributions £ 10,932.27

Special circumstances / additional information

Adam Shirley is considering transferring in his benefits from the registered Defined Benefit arrangement of his previous employer.

Adjustment factor 0.99

THIS ANSWER ALSO REQUIRES A LETTER (QUESTION 8)

CASE STUDY DETAILS**OPQ PLAN****TRANSFERS
QUESTION 5****Event history**

Date of first event	04/09/2018	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	KUMAR	Forenames	ABHISHEK
Date of birth	03/09/1981	Gender	MALE

Spouse's date of birth

Dependent child's date of birth

Date of joining company **03/10/2017**Date of joining plan **03/10/2017**

Target retirement date

Contribution historyTotal member's normal contributions **£ 1,321.44**Total employer's normal contributions **£ 2,114.30**Total member's AVCs **£ 513.42**

Personal Retirement Account details

Member's Current Unit Investment Choices

Fund	Member's normal contributions	Employer's normal contributions	Member's AVCs
	Allocation (%)	Allocation (%)	Allocation (%)
Global Equity Fund	50.00	50.00	50.00
Index Linked Bond Fund	15.00	15.00	40.00
Balanced Fund	25.00	25.00	
Corporate Bond Fund	10.00	10.00	10.00
Cash Fund			
Lifestyle Fund			

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.219
Index Linked Bond Fund	1.307
Balanced Fund	4.330
Corporate Bond Fund	1.520
Cash Fund	1.019

Transfer value details from previous scheme

Member's total transfer value (including AVCs) £ 10,333.11

Including:

- Current value of member's contributions £ 4,918.88
- Current value of AVCs £ 2,122.49

Special circumstances / additional information

Following Abhishek Kumar's written authority to proceed, the transfer in of his benefits from the registered Defined Contribution arrangement of his previous employer took place on 4 September 2018. The transfer in was allocated in accordance with Abhishek Kumar's current investment choices and was based on the Investment Fund Unit Prices detailed above.

CASE STUDY DETAILS**XYZ SCHEME****TRANS
FERS
QUESTION 6****Event history**

Date of first event	05/09/2018	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	STANFORD	Forenames	JENNIFER
Date of birth	12/06/1966	Gender	FEMALE
Spouse's date of birth	01/01/1970		
Child dependent's date of birth			
Date of joining company	03/05/2018		
Date of joining scheme	03/06/2018		
Category of membership	A		

Contribution history

Total member's normal contributions	£	285.25
Total member's AVCs	£	
Current value of AVCs	£	

Preserved benefits from previous scheme

Pension payable at age 65 (per annum)	£	9,723.49
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Including:

- | | | |
|---|---|---------------|
| • Pre 06/04/1988 GMP at age 65 (per annum) | £ | |
| • Post 05/04/1988 GMP at age 65 (per annum) | £ | 437.84 |
| • GMP at exit (per annum) | £ | 270.40 |

Transfer value details from previous scheme

Member's total transfer value (including GMP liability)	£	23,219.44
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Including:

- | | | |
|---|---|------------------|
| • Member's total contributions | £ | 8,119.33 |
| • Transfer value in respect of post 05/04/1997 benefits | £ | 15,007.14 |
| • Member's post 05/04/1997 contributions | £ | 5,247.67 |

Special circumstances / additional information

Jennifer Stanford is considering transferring in her benefits from the registered Defined Benefit arrangement of her previous employer.

Adjustment factor	0.99
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