



**Pensions
Management
Institute**
Moving pensions forward

Registered Office:
Devonshire House
60 Goswell Road
London
EC1M 7AD
T: +44 (0) 20 7247 1452
W: www.pensions-pmi.org.uk

VOCATIONAL QUALIFICATIONS

DEATHS PART 2

DEATH BENEFITS WITH SPECIAL CIRCUMSTANCES

WEDNESDAY 13 MARCH 2019

9.30 AM – 12.30 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. 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. **BUDDY WEISSMANN – (XYZ)**
2. **TIM TAYLOR – (RST)**
3. **GEMIMA FULLER – (RST)**
4. **SAMANTHA ADAMS – (XYZ)**
5. **JAN KOWALSKI – (OPQ)**

Section B

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

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 2
QUESTION 1****Event history**

Date of first event **19/03/2017** First event **RETIREMENT**
Date of second event **06/03/2019** Second event **DEATH**

Member details

Surname **WEISSMANN** Forenames **BUDDY**
Date of birth **19/03/1952** Gender **MALE**
Spouse's date of birth **17/02/1964**
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

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

Pension in payment at date of second event is £5,717.64 per annum.

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

On retirement, Buddy Weissmann commuted £3,065.28 per annum of pension in return for a tax-free cash sum of £42,300.86.

At the date of the first event, the Company (with the consent of the Trustees), agreed that the spouse's pension percentage on death after retirement would be augmented to 60.00%.

Buddy Weissmann's current available Lifetime Allowance is 83.08%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

CASE STUDY DETAILS**RST SCHEME****DEATHS PART 2
QUESTION 2****Event history**Date of first event **24/02/2019** First event **DEATH**

Date of second event Second event

Member detailsSurname **TAYLOR** Forenames **TIM**Date of birth **26/07/1968** Gender **MALE**Spouse's date of birth **29/09/1980**

Dependent child's date of birth

Date of joining company **06/05/1992**Date of joining scheme **06/04/1993****Earnings history for the scheme year ending 5 April**

2010	2011	2012	2013	2014	2015	2016	2017	2018
41,300	44,662	44,300	45,889	46,250	44,155	43,221	40,089	46,224

Contribution historyTotal member's normal contributions £ **56,757.71**

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) £ 6,600.06

Post 5 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £ 7,684.51

Special circumstances / additional information

Contractual Salary at date of first event (actual) £ 28,500.00

Contractual Salary at date of first event (full time equivalent) £ 57,000.00

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

Tim Taylor worked full time (5 days a week) from the date he joined the Company until 5 February 1998, inclusive. From 6 February 1998, Tim Taylor varied his working week as follows:

6 February 1998 to 5 January 2003, inclusive	=	4.0 days a week
6 January 2003 to 5 November 2017, inclusive	=	3.0 days a week
6 November 2017 onwards	=	2.5 days a week

Tim Taylor's current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**RST SCHEME****DEATHS PART 2
QUESTION 3****Event history**

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

Date of second event Second event

Member details

Surname **FULLER** Forenames **GEMIMA**

Date of birth **18/06/1951** Gender **FEMALE**

Spouse's date of birth **12/01/1940**

Dependent child's date of birth

Date of joining company **07/11/2002**

Date of joining scheme **06/04/2003**

Earnings history for the scheme year ending 5 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
52,998	54,100	50,002	62,560	51,448	55,309	56,220	61,995	63,880

Contribution history

Total member's normal contributions **£ 53,633.02**

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) £ 2,357.05

Post 5 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £ 9,913.11

Special circumstances / additional information

Contractual Salary at date of first event £ 58,700.00

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

The Company (with the consent of the Trustees) agreed to enhance the rate of pension accrual for Gemima Fuller's CARE Pension to 45ths for Pensionable Service from 6 July 2016. The standard RST Pension Scheme accrual rate applied for all Pensionable Service before this date.

It was agreed by the Company that the enhancement to the accrual rate should also apply in the calculation of the Final Salary Underpin Pension (for Pensionable Service from 6 July 2016 only).

Gemima Fuller's current available Lifetime Allowance is 65.12%.

CASE STUDY DETAILS**XYZ SCHEME****DEATHS PART 2
QUESTION 4****Event history**

Date of first event **18/09/2004** First event **PRESERVED LEAVER**
Date of second event **09/03/2019** Second event **DEATH**

Member details

Surname **ADAMS** Forenames **SAMANTHA**
Date of birth **26/12/1971** Gender **FEMALE**
Spouse's date of birth **15/08/1970**
Dependent child's date of birth
Date of joining company **28/01/1984**
Date of joining scheme **28/02/1984**
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 **£ 28,393.20**
Total member's AVCs **£ 11,455.12**
Current value of AVCs **£ 56,350.98**
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) £ 725.92

Post 05/04/1988

GMP (per annum) £ 2,714.92

Special circumstances / additional information

Preserved pension (per annum) at date of first event £ 13,055.28

Lower of 5.0% / RPI increases from date of first event to date of second event is 59.6%.

Samantha Adams' current available Lifetime Allowance is 82.90%.

CASE STUDY DETAILS**OPQ PLAN****DEATHS PART 2
QUESTION 5****Event history**

Date of first event **01/03/2012** First event **PRESERVED LEAVER**
Date of second event **03/03/2019** Second event **DEATH**

Member details

Surname **KOWALSKI** Forenames **JAN**
Date of birth **22/03/1956** Gender **MALE**
Spouse's date of birth **07/08/1965**
Dependent child's date of birth
Date of joining company **19/02/2010**
Date of joining plan **19/02/2010**
Target retirement date **22/03/2022**

Annual salary history for the plan year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018

Contribution history

Total member's normal contributions £ **5,328.55**
Total employer's normal contributions £ **8,525.68**
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	2,477.7838	3,964.4535	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.330
Index Linked Bond Fund	1.401
Balanced Fund	4.509
Corporate Bond Fund	1.540
Cash Fund	1.157

Special circumstances / additional information

On 16 May 2010, Jan Kowalski transferred in the value of his benefits from his previous employer's pension arrangement, which amounted to £105,966.57. These benefits are excluded from Jan Kowalski's Personal Retirement Account detailed above.

The current Unit Holdings in respect of this transfer are 16,996.5100 (based on Member contributions) and 5,555.9501 (based on Employer contributions). These transferred-in Unit Holdings are held entirely in the Global Equity Fund.

Jan Kowalski's current available Lifetime Allowance is 75.96%.