



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

RETIREMENTS PART 1

RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

TUESDAY 9 MARCH 2021

1.30 PM – 5.00 PM

TIME ALLOWED:

3 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 retirement benefits / options for:

1. **STEPHEN PRICE – (XYZ)**
2. **IRENE LEWIS – (XYZ)**
3. **MAURICE WHITLOCK – (RST)**
4. **ANGELINA DE SOUSA – (RST)**
5. **JENNIFER DOBEY – (OPQ)**

Section B

6. Write a letter explaining the benefits payable and the options available to **IRENE LEWIS**.

The letter may be addressed either 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”.

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

Stephen Price's Final Pensionable Salary at 3 July 2011 was £32,000.00.

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 29.4%.

Stephen Price's current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**XYZ SCHEME****RETIREMENTS PART 1
QUESTION 2****Event history**

Date of first event **14/03/2021** First event **ILL-HEALTH RETIREMENT**
Date of second event Second event

Member details

Surname **LEWIS** Forenames **IRENE**
Date of birth **25/12/1964** Gender **FEMALE**
Spouse's date of birth **28/02/1963**
Dependent child's date of birth
Date of joining company **10/03/1991**
Date of joining scheme **10/04/1991**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2012	2013	2014	2015	2016	2017	2018	2019	2020
50,000	53,900	58,000	60,000	61,000	62,700	64,800	65,150	65,500

Contribution history

Total member's normal contributions **£ 69,420.75**
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) £ 2,111.20

Special circumstances / additional information

Irene Lewis paid the default contribution rate (70ths accrual) throughout her period of membership of the XYZ Pension and Life Assurance Scheme.

Irene Lewis' current available Lifetime Allowance is 100.00%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

Event history

Date of first event **14/03/2021** First event **RETIREMENT**
Date of second event Second event

Member details

Surname **WHITLOCK** Forenames **MAURICE**
Date of birth **15/01/1953** Gender **MALE**
Spouse’s date of birth **20/11/1954**
Dependent child’s date of birth
Date of joining company **10/06/1999**
Date of joining scheme **06/04/2000**

Earnings history for the scheme year ending 5 April

2012	2013	2014	2015	2016	2017	2018	2019	2020
59,400	64,100	66,200	68,300	71,000	71,500	72,480	73,500	74,000

Contribution history

Total member’s normal contributions **£ 71,420.00**
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 2020

CARE pension (per annum) £ 6,210.44

Post 5 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ 12,320.11

Special circumstances / additional information

Contractual Salary at date of first event £ 75,500.00

Pro-rata CPI from 6 April 2020 to date of first event is 1.80%.

Maurice Whitlock's current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**RST SCHEME****RETIREMENTS PART 1
QUESTION 4****Event history**

Date of first event **18/08/2012** First event **PRESERVED LEAVER**
Date of second event **13/03/2021** Second event **RETIREMENT**

Member details

Surname **DE SOUSA** Forenames **ANGELINA**
Date of birth **13/03/1956** Gender **FEMALE**
Spouse's date of birth **14/04/1966**
Dependent child's date of birth
Date of joining company **04/11/1997**
Date of joining scheme **06/04/1998**

Earnings history for the scheme year ending 5 April

2012	2013	2014	2015	2016	2017	2018	2019	2020

Contribution history

Total member's normal contributions **£ 32,310.00**
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 2020

CARE pension (per annum) £

Post 5 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £

Special circumstances / additional information

Pre 6 April 2006 preserved CARE pension (per annum) at date of first event £ **4,981.48**

Post 5 April 2006 preserved CARE pension (per annum) at date of first event £ **3,420.10**

Lower of 5.0% / CPI increases from date of first event to date of second event is 25.7%.

Angelina De Sousa's current available Lifetime Allowance is 89.35%.

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	3,504.1919	5,606.7071	
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			
Cash Fund	13,718.5101	21,949.6161	
Lifestyle Fund			

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.147
Index Linked Bond Fund	1.399
Balanced Fund	4.117
Corporate Bond Fund	2.549
Cash Fund	1.014

Special circumstances / additional information

Jennifer Dobey has requested a quotation assuming she takes 17.5% of the overall value of her Personal Retirement Account as a tax-free cash sum. For the remaining value of her Personal Retirement Account, Jennifer Dobey has requested single life annuity quotations (based on the "Annuity Bureau" factors) for the following options:

- a) Non-increasing
- b) Increasing annually at the lower of 5.0% / RPI

Jennifer Dobey has specified that she does not want to be provided with a quotation for taking the proceeds of her Personal Retirement Account as a single Uncrystallised Funds Pension Lump Sum (UFPLS).

Jennifer Dobey's current available Lifetime Allowance is 94.73%.