



# VOCATIONAL QUALIFICATIONS

## DEATHS PART 2

### DEATH BENEFITS WITH SPECIAL CIRCUMSTANCES

**THURSDAY 10 SEPTEMBER 2020                      9.30 AM – 13.00 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 death benefits / options for:

1. **TAHIR SAQIB – (OPQ)**
2. **KEVIN JOHNSON – (RST)**
3. **ANNA AVERY – (XYZ)**
4. **ALICIA BEGUM – (XYZ)**
5. **ALI MISHRA – (RST)**

### Section B

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

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”.



## Personal Retirement Account details

### Member's Current Unit Holdings

<b>Fund</b>	<b>Member's normal contributions</b>	<b>Employer's normal contributions</b>	<b>Member's AVCs</b>
	<b>Unit Holdings</b>	<b>Unit Holdings</b>	<b>Unit Holdings</b>
Global Equity Fund			10,199.5001
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			1,291.5680
Cash Fund			
Lifestyle Fund	16,512.1896	26,419.5041	

### Investment Fund Unit Prices

<b>Fund</b>	<b>Current Unit Price (£)</b>
Global Equity Fund	5.682
Index Linked Bond Fund	1.530
Balanced Fund	4.890
Corporate Bond Fund	1.731
Cash Fund	1.165

### **Special circumstances / additional information**

Tahir Saqib's current available Lifetime Allowance is 89.21%.



**Pre 6 April 2006 pension accrued as at 5 April 2019**

CARE pension (per annum) £ 7,143.43

**Post 5 April 2006 pension accrued as at 5 April 2019**

CARE pension (per annum) £ 9,204.15

**Special circumstances / additional information**

Contractual Salary at date of first event £ 50,100.00

Pro-rata CPI from 6 April 2019 to date of first event is 3.10%.

The Company (with the consent of the Trustees) agreed to augment the rate of pension accrual for Kevin Johnson's CARE Pension to 50ths for Pensionable Service from 6 April 2004 onwards.

It was also agreed by the Company (with the consent of the Trustees) to augment the rate of pension accrual to 70ths in the calculation of Kevin Johnson's Final Salary Underpin Pension for Pensionable Service from 6 April 2004 onwards.

Kevin Johnson's current available Lifetime Allowance is 100.00%.

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

Date of first event **27/02/2020** First event **DEATH**  
 Date of second event Second event

**Member details**

Surname **AVERY** Forenames **ANNA**  
 Date of birth **21/02/1970** Gender **FEMALE**  
 Spouse's date of birth **26/09/1959**  
 Dependent child's date of birth  
 Date of joining company **04/01/1991**  
 Date of joining scheme **04/02/1991**  
 Category of membership **A**

**Pensionable salary history for the scheme year commencing 6 April**

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>45,881</b>	<b>48,700</b>	<b>52,960</b>	<b>49,992</b>	<b>48,790</b>	<b>50,125</b>	<b>52,431</b>	<b>52,950</b>	<b>51,996</b>

**Contribution history**

Total member's normal contributions **£ 62,822.01**  
 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) £ 1,044.16

### **Special circumstances / additional information**

Salary at date of first event £ 49,150.00

Anna Avery paid the default contribution rate (70ths accrual) from the date she joined the XYZ Pension and Life Assurance Scheme until 5 April 1998, inclusive.

From 6 April 1998, Anna Avery varied her contribution rate to build up the following rates of pension accrual:

- 6 April 1998 to 5 April 2009 = 60ths
- 6 April 2009 to 5 April 2014 = 70ths
- 6 April 2014 onwards = 60ths

Anna Avery's current available Lifetime Allowance is 100.00%.

**THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)**

**DEATHS 2  
QUESTION 3**



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

Date of first event    **31/01/2017**                      First event    **RETIREMENT**  
Date of second event    **02/03/2020**                      Second event    **DEATH**

**Member details**

Surname                      **BEGUM**                      Forenames    **ALICIA**  
Date of birth                      **30/11/1946**                      Gender                      **FEMALE**  
Spouse's date of birth                      **02/01/1958**  
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**

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>

**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 £15,921.12 per annum.

Lower of 5.0% / RPI increases from date of first event to date of second event is 12.1%.

On retirement, Alicia Begum commuted £9,343.68 per annum of pension in return for a tax-free cash sum of £117,731.40.

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 66.67% for all pension, including the pension commuted by Alicia Begum for a tax-free cash sum.

Alicia Begum's current available Lifetime Allowance is 52.91%.

**CASE STUDY DETAILS****RST SCHEME****DEATHS PART 2  
QUESTION 5****Event history**

Date of first event      **10/03/2020**                      First event      **DEATH**  
Date of second event                                              Second event

**Member details**

Surname                      **MISHRA**                      Forenames      **ALI**  
Date of birth                      **27/06/1963**                      Gender              **MALE**  
Spouse's date of birth                                              **01/09/1974**  
Dependent child's date of birth  
Date of joining company                                              **12/08/2000**  
Date of joining scheme                                              **06/04/2001**

**Earnings history for the scheme year ending 5 April**

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>29,005</b>	<b>30,102</b>	<b>32,889</b>	<b>34,150</b>	<b>36,250</b>	<b>33,912</b>	<b>33,986</b>	<b>32,450</b>	<b>31,728</b>

**Contribution history**

Total member's normal contributions                                              **£ 33,736.02**  
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 2019**

CARE pension (per annum) £ **1,979.84**

**Post 5 April 2006 pension accrued as at 5 April 2019**

CARE pension (per annum) £ **5,415.80**

**Special circumstances / additional information**

Contractual Salary at date of first event (actual) £ **23,737.50**

Contractual Salary at date of first event (full-time equivalent) £ **31,650.00**

Pro-rata CPI from 6 April 2019 to date of first event is 3.10%.

Ali Mishra worked 4.5 days a week (with 5 days comprising a full working week) from the date he joined the Company until 5 October 2008, inclusive. From 6 October 2008, Ali Mishra varied his working week as follows:

- 6 October 2008 to 5 May 2015 = 3.0 days a week
- 6 May 2015 to 5 January 2016 = 4.5 days a week
- 6 January 2016 onwards = 3.75 days a week

Ali Mishra's current available Lifetime Allowance is 100.00%.