



**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%.

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)