



**Pensions
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Moving pensions forward

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VOCATIONAL QUALIFICATIONS

LEAVERS PART 2

LEAVERS' BENEFITS WITH SPECIAL CIRCUMSTANCES

THURSDAY 6 SEPTEMBER 2018 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. 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 leaver benefits / options for:

1. **ROBERTA BRUNELLI – (XYZ)**
2. **NORMAN SMITH – (OPQ)**
3. **FRANCESCA JONES – (RST)**
4. **DAVID CHOI – (XYZ)**
5. **CLAUDIA PEARSON – (RST)**

Section B

6. Write a letter explaining the benefits payable and the options available to **FRANCESCA JONES**.

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”.

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

Date of first event **02/09/2018** First event **LEAVER**

Date of second event Second event

Member details

Surname **BRUNELLI** Forenames **ROBERTA**

Date of birth **12/03/1972** Gender **FEMALE**

Spouse's date of birth

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
32,235	32,985	33,364	34,235	35,436	35,954	36,352	36,974	37,924

Contribution history

Total member's normal contributions £

Total member's AVCs £

Current value of AVCs £

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

Roberta Brunelli's Final Pensionable Salary at 3 July 2011 £ 32,985.00

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 21.8%.

Roberta Brunelli worked full time (five days a week) from the date she joined the Company until 12 May 1999, inclusive. From 13 May 1999 onwards, Roberta Brunelli worked four days a week.

Roberta Brunelli's reason for leaving was resignation.

CASE STUDY DETAILS**OPQ PLAN****LEAVERS PART 2
QUESTION 2****Event history**

Date of first event **03/09/2018** First event **LEAVER**

Date of second event Second event

Member details

Surname **SMITH** Forenames **NORMAN**

Date of birth **04/08/1981** Gender **MALE**

Spouse's date of birth **17/02/1983**

Dependent child's date of birth

Date of joining company **17/09/2010**

Date of joining plan **17/09/2010**

Target retirement date

Annual salary history for the plan year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
	32,524	33,235	34,753	35,642	36,235	37,425	38,234	39,424

Contribution history

Total member's normal contributions **£ 14,283.38**

Total employer's normal contributions **£ 22,781.41**

Total member's AVCs **£ 14,283.38**

Personal Retirement Account details

Member's Current Unit Holdings

Fund	Member's normal contributions Unit Holdings	Employer's normal contributions Unit Holdings	Member's AVCs Unit Holdings
Global Equity Fund			
Index Linked Bond Fund	5,513.1253	8,821.0005	5,513.1253
Balanced Fund			
Corporate Bond Fund	4,275.2331	6,840.3730	
Cash Fund			6,434.1235
Lifestyle Fund			

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.402
Index Linked Bond Fund	1.406
Balanced Fund	4.564
Corporate Bond Fund	1.684
Cash Fund	1.027

Special circumstances / additional information

Norman Smith's reason for leaving was resignation.

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

Date of first event **06/09/2018** First event **LEAVER**

Date of second event Second event

Member details

Surname **JONES** Forenames **FRANCESCA**

Date of birth **16/05/1982** Gender **FEMALE**

Spouse's date of birth

Dependent child's date of birth

Date of joining company **18/12/2016**

Date of joining scheme **06/04/2017**

Earnings history for the scheme year ending 5 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
								250,000

Contribution history

Total member's normal contributions **£ 24,375.00**

Total member's AVCs **£**

Current value of AVCs **£**

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) £ 3,125.00

Special circumstances / additional information

Contractual Salary at date of first event £ 250,000.00

It was agreed as part of a Severance Agreement that Francesca Jones' CARE pension would be uplifted to 40ths accrual for her Pensionable Service from 6 June 2018 onwards. For the purpose of any comparisons, the uplift should be excluded from the Underpin Pension element.

Francesca Jones' reason for leaving was resignation.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

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

Date of first event **05/09/2018** First event **LEAVER**

Date of second event Second event

Member details

Surname **CHOI** Forenames **DAVID**

Date of birth **19/05/1973** Gender **MALE**

Spouse's date of birth

Dependent child's date of birth

Date of joining company **17/04/1993**

Date of joining scheme **17/05/1993**

Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
41,352	42,132	42,132	43,124	43,623	44,623	45,221	46,221	45,221

Contribution history

Total member's normal contributions **£ 71,523.34**

Total member's AVCs **£**

Current value of AVCs **£**

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £

Post 05/04/1988

GMP (per annum) £ 1,022.32

Special circumstances / additional information

David Choi paid the default contribution rate (70ths accrual) from the date he joined the XYZ Pension and Life Assurance Scheme until 5 April 1996. From 6 April 1996 onwards, David Choi paid the lower contribution rate.

David Choi's reason for leaving was resignation.

LEAVERS PART 2
QUESTION 5

Total member's normal contributions	£	2,303.24
Total member's AVCs	£	
Current value of AVCs	£	

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) £ 295.29

Special circumstances / additional information

Contractual Salary at date of first event £ 30,000.00

On 12 June 2017, Claudia Pearson transferred into the RST Pension Scheme the value of her money purchase benefits from the Group Personal Pension plan provided by one of her former employers. The transfer value of £12,531.34 consisted entirely of employer contributions and provided Claudia Pearson with an additional revalued retirement pension in the RST Pension Scheme of £1,532.34 per annum, payable from her Normal Pension Date.

The transferred-in benefits, which are to be treated as Post 6 April 2006 benefits, are not included in the CARE pension figures referred to above and are subject to the normal rules of the RST Pension Scheme.

Claudia Pearson's reason for leaving was resignation.