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# VOCATIONAL QUALIFICATIONS

## RETIREMENTS PART 1

### RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

**MONDAY 11 MARCH 2019**

**1.30 PM – 4.30 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 retirement benefits / options for:

1. **RASHID SHINWARI – (RST)**
2. **JACK HARPER – (XYZ)**
3. **CHRISTINE DANIELS – (RST)**
4. **TOMASZ WILDERMÜNCH – (OPQ)**
5. **SAMANTHA WEBSTER – (XYZ)**

### Section B

6. Write a letter explaining the benefits payable and the options available to **RASHID SHINWARI**.

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****RST SCHEME****RETIREMENTS PART 1  
QUESTION 1****Event history**

Date of first event      **04/03/2019**                      First event      **RETIREMENT**

Date of second event    Second event

**Member details**

Surname                      **SHINWARI**                      Forenames      **RASHID**

Date of birth                      **08/01/1956**                      Gender              **MALE**

Spouse's date of birth    **09/03/1966**

Dependent child's date of birth

Date of joining company    **06/11/1992**

Date of joining scheme    **06/04/1993**

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

<b>2010</b>	<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>33,500</b>	<b>35,500</b>	<b>37,000</b>	<b>38,750</b>	<b>40,000</b>	<b>42,200</b>	<b>43,750</b>	<b>45,000</b>	<b>46,375</b>

**Contribution history**

Total member's normal contributions    **£ 42,809.16**

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) £ 6,916.18

**Post 5 April 2006 pension accrued as at 5 April 2018**

CARE pension (per annum) £ 7,899.38

**Special circumstances / additional information**

Contractual Salary at date of first event £ 47,500.00

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

Rashid Shinwari's current available Lifetime Allowance is 100.00%.

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

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

Date of first event      **09/03/2019**                      First event      **RETIREMENT**  
Date of second event                                      Second event

**Member details**

Surname                      **HARPER**                      Forenames      **JACK**  
Date of birth                      **16/07/1950**                      Gender              **MALE**  
Spouse's date of birth                                      **20/10/1960**  
Dependent child's date of birth  
Date of joining company                                      **04/08/1985**  
Date of joining scheme                                      **04/09/1985**  
Category of membership                                      **A**

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

<b>2010</b>	<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>54,500</b>	<b>56,050</b>	<b>58,250</b>	<b>60,400</b>	<b>63,250</b>	<b>66,500</b>	<b>67,500</b>	<b>68,890</b>	<b>70,500</b>

**Contribution history**

Total member's normal contributions                                      **£ 24,869.10**  
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)	£	<b>403.52</b>
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Post 05/04/1988

GMP (per annum)	£	<b>4,302.48</b>
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### **Special circumstances / additional information**

Jack Harper paid the default contribution rate (70ths accrual) throughout his period of membership of the XYZ Pension and Life Assurance Scheme.

Jack Harper's current available Lifetime Allowance is 100.00%.

**CASE STUDY DETAILS****RST SCHEME****RETIREMENTS PART 1  
QUESTION 3****Event history**

Date of first event **06/03/2019** First event **RETIREMENT**

Date of second event Second event

**Member details**

Surname **DANIELS** Forenames **CHRISTINE**

Date of birth **06/03/1954** Gender **FEMALE**

Spouse's date of birth **09/08/1950**

Dependent child's date of birth

Date of joining company **11/10/2003**

Date of joining scheme **06/04/2004**

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

2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>27,500</b>	<b>29,000</b>	<b>31,000</b>	<b>33,000</b>	<b>35,200</b>	<b>37,500</b>	<b>38,500</b>	<b>41,000</b>	<b>44,000</b>

**Contribution history**

Total member's normal contributions £ **13,796.08**

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) £ 498.25

**Post 5 April 2006 pension accrued as at 5 April 2018**

CARE pension (per annum) £ 6,009.18

**Special circumstances / additional information**

Contractual Salary at date of first event £ 50,900.00

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

Christine Daniels' current available Lifetime Allowance is 100.00%.



**CASE STUDY DETAILS****OPQ PLAN****RETIREMENTS PART 1  
QUESTION 4****Event history**

Date of first event **24/06/2014** First event **PRESERVED LEAVER**  
Date of second event **06/03/2019** Second event **RETIREMENT**

**Member details**

Surname **WILDERMÜNCH** Forenames **TOMASZ**  
Date of birth **01/09/1960** Gender **MALE**  
Spouse's date of birth **05/01/1961**  
Dependent child's date of birth  
Date of joining company **08/08/1998**  
Date of joining plan **08/08/1998**  
Target retirement date **01/09/2022**

**Annual salary history for the plan year commencing 6 April**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>

**Contribution history**

Total member's normal contributions **£ 61,492.08**  
Total employer's normal contributions **£ 100,492.80**  
Total member's AVCs **£**

## 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			
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	20,819.4060	34,726.1200	

### Investment Fund Unit Prices

<b>Fund</b>	<b>Current Unit Price (£)</b>
Global Equity Fund	5.212
Index Linked Bond Fund	1.434
Balanced Fund	4.920
Corporate Bond Fund	1.532
Cash Fund	1.019

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

Tomasz Wildermüch has requested a quotation assuming he uses the overall value of his Personal Retirement Account to take the maximum tax-free cash sum available to him, with the balance being used to purchase a joint life pension. Tomasz Wildermüch has requested quotations using the "Annuity Bureau" factors for the following joint life pension options:

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

Tomasz Wildermüch has additionally requested a quotation assuming he takes the entire proceeds of his Personal Retirement Account as a single Uncrystallised Funds Pension Lump Sum.

Tomasz Wildermüch's current available Lifetime Allowance is 59.82%.



**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**

Samantha Webster's Final Pensionable Salary at 3 July 2011 was £43,300.00.

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 24.1%.

Samantha Webster's current available Lifetime Allowance is 100.00%.