



**Pensions
Management
Institute**
Moving pensions forward

Registered Office:
Devonshire House
60 Goswell Road
London
EC1M 7AD
T: +44 (0) 20 7247 1452
W: www.pensions-pmi.org.uk

VOCATIONAL QUALIFICATIONS

TRANSFERS IN AND TRANSFERS OUT

THURSDAY 12 SEPTEMBER 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.** 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 transfer values of the benefits accrued by:

1. **JULIA MACKINTOSH – (RST)**
2. **GEORGE KETTLE – (OPQ)**
3. **SHAILESH PATRA – (XYZ)**

Calculate the benefits that can be provided by the transfer values received under the relevant scheme / plan for:

4. **BRANDON KENDRICK – (RST)**
5. **BETTINA O’SULLIVAN – (OPQ)**
6. **AMBER VALENTINE – (XYZ)**

Section B

7. Write a letter concerning **SHAILESH PATRA** explaining the transfer out alternative and providing information as appropriate.

The letter may be addressed either to the member or to the Trustees or to the receiving scheme / insurance company (whichever is the normal practice in the organisation for which you work).

8. Write a letter concerning **BRANDON KENDRICK** explaining the benefits available in exchange for the transfer value and providing information as appropriate.

The letter may be addressed 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****TRANS
FERS
QUESTION 1****Event history**

Date of first event	15/02/2017	First event	PRESERVED LEAVER
Date of second event	11/09/2019	Second event	TRANSFER OUT

Member details

Surname	MACKINTOSH	Forenames	JULIA
Date of birth	07/09/1968	Gender	FEMALE
Spouse's date of birth	03/07/1962		
Dependent child's date of birth			
Date of joining company	09/07/1988		
Date of joining scheme	06/04/1989		

Contribution history

Total member's normal contributions	£	21,535.66
Post 05/04/1997 member's normal contributions	£	15,352.38
Total member's AVCs	£	11,000.23
Current value of AVCs	£	12,921.44

Preserved benefits

Member's total pension at age 65 (per annum): £ 23,911.45

Including:

- Member's pension earned between 06/04/1997 and 05/04/2006 at age 65 (per annum) £ 7,720.65
- Member's pension earned from 06/04/2006 at age 65 (per annum) £ 9,323.05

Special circumstances / additional information

Spouse's pension on death after retirement (per annum) £ 9,564.58

Adjustment factor 0.97

CASE STUDY DETAILS**OPQ PLAN****TRANSFERS
QUESTION 2****Event history**

Date of first event	17/01/2019	First event	PRESERVED LEAVER
Date of second event	10/09/2019	Second event	TRANSFER OUT

Member details

Surname	KETTLE	Forenames	GEORGE
Date of birth	15/07/1985	Gender	MALE
Spouse's date of birth	17/05/1982		
Dependent child's date of birth			
Date of joining company	14/09/2005		
Date of joining plan	14/09/2005		
Target retirement date			

Contribution history

Total member's normal contributions	£	7,911.24
Total employer's normal contributions	£	12,657.98
Total member's AVCs	£	3,799.65

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	501.2233	801.9568	
Index Linked Bond Fund	1,612.5600	2,580.0960	729.2234
Balanced Fund	1,313.9998	2,102.3997	619.3456
Corporate Bond Fund			850.7896
Cash Fund			
Lifestyle Fund			

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.214
Index Linked Bond Fund	1.310
Balanced Fund	4.332
Corporate Bond Fund	1.522
Cash Fund	1.020

Special circumstances / additional information

CASE STUDY DETAILS**XYZ SCHEME****TRANS
FERS
QUESTION 3****Event history**

Date of first event	03/07/2018	First event	PRESERVED LEAVER
Date of second event	09/09/2019	Second event	TRANSFER OUT

Member details

Surname	PATRA	Forenames	SHAILESH
Date of birth	08/07/1963	Gender	MALE
Spouse's date of birth	07/11/1967		
Dependent child's date of birth			
Date of joining company	05/05/1990		
Date of joining scheme	05/06/1990		
Category of membership	A		

Contribution history

Total member's normal contributions	£	20,332.44
Post 05/04/1997 member's normal contributions	£	15,381.67
Total member's AVCs	£	11,333.67
Current value of AVCs	£	12,789.32

Preserved benefits

Member's total pension at age 65 (per annum)	£	18,193.45
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Including:

- | | | |
|---|---|------------------|
| • Post 05/04/1997 pension at age 65 (per annum) | £ | 13,763.51 |
| • Pre 06/04/1988 GMP at age 65 (per annum) | £ | |
| • Post 05/04/1988 GMP at age 65 (per annum) | £ | 432.64 |
| • Total GMP at exit (per annum) | £ | 317.20 |

Special circumstances / additional information

Spouse's pension on death after retirement (per annum)	£	9,096.73
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Adjustment factor		0.99
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THIS ANSWER ALSO REQUIRES A LETTER (QUESTION 7)

TRANSFERS
QUESTION 3

CASE STUDY DETAILS**RST SCHEME****TRANSFERS
QUESTION 4****Event history**

Date of first event	11/09/2019	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	KENDRICK	Forenames	BRANDON
Date of birth	12/09/1973	Gender	MALE
Spouse's date of birth	06/07/1960		
Dependent child's date of birth			
Date of joining company	03/05/2018		
Date of joining scheme	06/04/2019		

Contribution history

Total member's normal contributions	£	1,321.11
Total member's AVC	£	321.13
Current value of AVCs	£	325.33

Preserved benefits from previous scheme

Pension payable at age 65 (per annum)	£	13,059.22
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Transfer value details from previous scheme

Member's total transfer value	£	41,000.24
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Including:

- | | | |
|---|---|------------------|
| • Member's total contributions | £ | 20,195.33 |
| • Transfer value in respect of post 05/04/1997 benefits | £ | 34,439.30 |
| • Member's post 05/04/1997 contributions | £ | 16,963.63 |
| • Transfer value in respect of post 05/04/2006 benefits | £ | 19,678.32 |
| • Member's post 05/04/2006 contributions | £ | 9,692.87 |

Special circumstances / additional information

Brandon Kendrick is considering transferring in his benefits from the registered Defined Benefit arrangement of his previous employer.

Adjustment factor	0.99
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THIS ANSWER ALSO REQUIRES A LETTER (QUESTION 8)

Personal Retirement Account details

Member's Current Unit Investment Choices

Fund	Member's normal contributions	Employer's normal contributions	Member's AVCs
	Allocation (%)	Allocation (%)	Allocation (%)
Global Equity Fund			
Index Linked Bond Fund			
Balanced Fund	25.00	25.00	25.00
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	75.00	75.00	75.00

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.218
Index Linked Bond Fund	1.310
Balanced Fund	4.330
Corporate Bond Fund	1.523
Cash Fund	1.018

Transfer value details from previous scheme

Member's total transfer value (including AVCs) £ **20,345.68**

Including:

- Current value of member's contributions £ **7,998.32**
- Current value of AVCs £ **6,199.34**

Special circumstances / additional information

Following Bettina O'Sullivan's written authority to proceed, the transfer in of her benefits from the registered Defined Contribution arrangement of her previous employer took place on 8 September 2019. The transfer in was allocated in accordance with Bettina O'Sullivan's current investment choices and was based on the Investment Fund Unit Prices detailed above.

CASE STUDY DETAILS**XYZ SCHEME****TRANS
FERS
QUESTION 6****Event history**

Date of first event	10/09/2019	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	VALENTINE	Forenames	AMBER
Date of birth	07/02/1964	Gender	FEMALE
Spouse's date of birth	12/12/1963		
Child dependent's date of birth			
Date of joining company	01/02/2019		
Date of joining scheme	01/03/2019		
Category of membership	A		

Contribution history

Total member's normal contributions	£	532.44
Total member's AVCs	£	
Current value of AVCs	£	

Preserved benefits from previous scheme

Pension payable at age 65 (per annum)	£	10,772.33
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Including:

- | | | |
|---|---|---------------|
| • Pre 06/04/1988 GMP at age 65 (per annum) | £ | |
| • Post 05/04/1988 GMP at age 65 (per annum) | £ | 462.28 |
| • GMP at exit (per annum) | £ | 327.60 |

Transfer value details from previous scheme

Member's total transfer value (including GMP liability)	£	21,458.99
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Including:

- | | | |
|---|---|------------------|
| • Member's total contributions | £ | 9,123.87 |
| • Transfer value in respect of post 05/04/1997 benefits | £ | 16,093.19 |
| • Member's post 05/04/1997 contributions | £ | 6,842.46 |

Special circumstances / additional information

Amber Valentine is considering transferring in her benefits from the registered Defined Benefit arrangement of her previous employer.

Adjustment factor	0.98
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