



VOCATIONAL QUALIFICATIONS

LEAVERS PART 2

LEAVERS' BENEFITS WITH SPECIAL CIRCUMSTANCES

FRIDAY 11 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. 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. LAURA LANCASTER – (OPQ)
2. HERMANN DE HAVILLAND – (RST)
3. HENRIETTA HURRICANE – (RST)
4. SOHAL SAFIR – (XYZ)
5. JOANNE JODEL – (XYZ)

Section B

6. Write a letter explaining the benefits payable and the options available to **HENRIETTA HURRICANE**.

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

OPQ PLAN

**LEAVERS PART 2
QUESTION 1**

Event history

Date of first event **23/03/2020** First event **LEAVER**
Date of second event Second event

Member details

Surname **LANCASTER** Forenames **LAURA**
Date of birth **19/04/1974** Gender **FEMALE**
Spouse's date of birth **12/03/1972**
Dependent child's date of birth
Date of joining company **14/01/2000**
Date of joining plan **14/01/2000**
Target retirement date

Annual salary history for the plan year commencing 6 April

2011	2012	2013	2014	2015	2016	2017	2018	2019
23,642	24,642	25,743	28,425	30,641	31,246	32,675	33,753	34,642

Contribution history

Total member's normal contributions £ **24,642.15**
Total employer's normal contributions £ **39,427.44**
Total member's AVCs £ **12,642.52**

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	3,446.1532	5,513.8451	853.7462
Index Linked Bond Fund			
Balanced Fund	138.5319	221.6510	1,576.9768
Corporate Bond Fund			750.9267
Cash Fund	10,631.7526	17,010.8042	
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

Laura Lancaster's reason for leaving was resignation.

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

Date of first event **22/03/2020** First event **LEAVER**
Date of second event Second event

Member details

Surname **DE HAVILLAND** Forenames **HERMANN**
Date of birth **15/09/1964** Gender **MALE**
Spouse's date of birth **23/06/1968**
Dependent child's date of birth
Date of joining company **19/12/1993**
Date of joining scheme **06/04/1994**

Earnings history for the scheme year ending 5 April

2011	2012	2013	2014	2015	2016	2017	2018	2019
86,151	88,131	89,642	91,531	93,613	95,611	97,124	98,742	101,531

Contribution history

Total member's normal contributions **£ 112,512.51**
Total member's AVCs **£**
Current value of AVCs **£**

Pre 6 April 2006 pension accrued as at 5 April 2019

CARE pension (per annum) £ 9,071.61

Post 5 April 2006 pension accrued as at 5 April 2019

CARE pension (per annum) £ 14,642.13

Special circumstances / additional information

Contractual Salary at date of first event £ 97,000.00

The Company (with the consent of the Trustees) agreed to augment the accrual rate for Hermann de Havilland's CARE Pension to 45ths for the final six months of his membership of the RST Pension Scheme. It was also agreed that an augmented accrual rate of 70ths should apply for the same six-month period when calculating Hermann de Havilland's Final Salary Underpin Pension.

Hermann de Havilland's reason for leaving was voluntary redundancy.

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

Date of first event **22/03/2020** First event **LEAVER**
 Date of second event Second event

Member details

Surname **HURRICANE** Forenames **HENRIETTA**

Date of birth **28/01/1982** Gender **FEMALE**

Spouse’s date of birth

Dependent child’s date of birth

Date of joining company **12/04/2017**

Date of joining scheme **06/04/2018**

Earnings history for the scheme year ending 5 April

2011	2012	2013	2014	2015	2016	2017	2018	2019
								40,403

Contribution history

Total member’s normal contributions **£ 5,213.51**

Total member’s AVCs **£**

Current value of AVCs **£**

Pre 6 April 2006 pension accrued as at 5 April 2019

CARE pension (per annum) £

Post 5 April 2006 pension accrued as at 5 April 2019

CARE pension (per annum) £ **516.31**

Special circumstances / additional information

Contractual Salary at date of first event (full-time equivalent) £ **56,250.00**

Contractual Salary at date of first event (actual) £ **45,000.00**

Henrietta Hurricane worked full time (five days a week) from the date she joined the Company until 12 May 2019, inclusive. From 13 May 2019 onwards, Henrietta Hurricane worked four days a week.

Henrietta Hurricane's reason for leaving was resignation.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

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

Sohal Safir's Final Pensionable Salary at 3 July 2011 £ **71,200.00**

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 28.7%.

On 11 June 2000, Sohal Safir transferred into the XYZ Pension and Life Assurance Scheme the value of his Money Purchase benefits from a non-contracted out registered pension scheme of one of his former employers. The transfer value of £42,643.77 consisted entirely of employer contributions and provided Sohal Safir with an additional 4 years and 112 days of Pensionable Service in the XYZ Pension and Life Assurance Scheme. The transferred-in benefits are subject to the normal rules of the XYZ Pension and Life Assurance Scheme.

Sohal Safir's reason for leaving was resignation.

CASE STUDY DETAILS**XYZ SCHEME****LEAVERS PART 2
QUESTION 5****Event history**

Date of first event **24/03/2020** First event **LEAVER**

Date of second event Second event

Member details

Surname **JODEL** Forenames **JOANNE**

Date of birth **20/09/1960** Gender **FEMALE**

Spouse’s date of birth **21/06/1981**

Dependent child’s date of birth

Date of joining company **01/02/1984**

Date of joining scheme **01/03/1984**

Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2011	2012	2013	2014	2015	2016	2017	2018	2019
21,642	22,753	23,742	24,136	25,874	26,973	27,934	28,964	29,863

Contribution history

Total member’s normal contributions **£ 38,425.63**

Total member’s AVCs **£**

Current value of AVCs **£**

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £ 1,065.48

Post 05/04/1988

GMP (per annum) £ 1,854.32

Special circumstances / additional information

Joanne Jodel paid the default contribution rate from the date she joined the XYZ Pension and Life Assurance Scheme until 5 April 2000, inclusive.

From 6 April 2000, Joanne Jodel varied her contribution rate as follows:

- 6 April 2000 to 5 April 2010 = lower rate
- 6 April 2010 onwards = higher rate

Joanne Jodel's reason for leaving was resignation.