



**Pensions
Management
Institute**

VOCATIONAL QUALIFICATIONS

DEATHS PART 1

DEATH BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

WEDNESDAY 10 MARCH 2021

2.00 PM – 5.00 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 death benefits / options for:

1. ASIMA CHATTERJEE – (XYZ)
2. MARIE CURINGTON – (RST)
3. RALPH FOWLER – (OPQ)
4. PETER DEBYE – (XYZ)
5. ALICE COMPTON – (RST)

Section B

6. Write a letter explaining the benefits payable and the options available in respect of ASIMA CHATTERJEE.

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 **26/02/2021** First event **DEATH**
Date of second event Second event

Member details

Surname **CHATTERJEE** Forenames **ASIMA**
Date of birth **15/02/1961** Gender **FEMALE**
Spouse's date of birth **18/09/1973**
Dependent child's date of birth
Date of joining company **15/07/1982**
Date of joining scheme **15/08/1982**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2012	2013	2014	2015	2016	2017	2018	2019	2020
53,955	54,800	52,688	61,520	60,557	61,550	62,889	60,257	59,480

Contribution history

Total member's normal contributions **£ 68,327.16**
Total member's AVCs **£**
Current value of AVCs **£**
Single life AVC pension (per annum) payable immediately **£**
Joint life AVC pension (per annum) payable immediately **£**

Contracting-out details at date of first event

Pre 06/04/1988

GMP (per annum) £ 353.08

Post 05/04/1988

GMP (per annum) £ 943.80

Special circumstances / additional information

Salary at date of first event £ 59,811.63

Asima Chatterjee paid the default contribution rate (70ths accrual) from the date she joined the XYZ Pension and Life Assurance Scheme.

Asima Chatterjee's current available Lifetime Allowance is 100.00%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

CASE STUDY DETAILS**RST SCHEME****DEATHS PART 1
QUESTION 2****Event history**

Date of first event **02/03/2021** First event **DEATH**
Date of second event Second event

Member details

Surname **CURINGTON** Forenames **MARIE**
Date of birth **02/11/1954** Gender **FEMALE**
Spouse's date of birth **18/06/1968**
Dependent child's date of birth
Date of joining company **13/12/1996**
Date of joining scheme **06/04/1997**

Earnings history for the scheme year ending 5 April

2012	2013	2014	2015	2016	2017	2018	2019	2020
38,750	38,750	39,800	39,950	40,000	41,250	43,688	44,517	45,350

Contribution history

Total member's normal contributions **£ 53,391.30**
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 2020

CARE pension (per annum) £ 5,114.02

Post 5 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ 8,155.57

Special circumstances / additional information

Contractual Salary at date of first event £ 44,900.00

Pro-rata CPI from 6 April 2020 to date of first event is 1.80%.

Marie Curington's current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**OPQ PLAN****DEATHS PART 1
QUESTION 3****Event history**

Date of first event **08/01/2018** First event **PRESERVED LEAVER**
Date of second event **26/02/2021** Second event **DEATH**

Member details

Surname **FOWLER** Forenames **RALPH**
Date of birth **19/07/1960** Gender **MALE**

Spouse's date of birth

Dependent child's date of birth

Date of joining company **01/09/2008**

Date of joining plan **01/09/2008**

Target retirement date **19/07/2025**

Annual salary history for the plan year commencing 6 April

2012	2013	2014	2015	2016	2017	2018	2019	2020

Contribution history

Total member's normal contributions **£ 23,381.05**
Total employer's normal contributions **£ 37,409.68**
Total member's AVCs **£**

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			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	8,816.1262	13,307.3539	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.690
Index Linked Bond Fund	1.531
Balanced Fund	4.902
Corporate Bond Fund	1.723
Cash Fund	1.165

Special circumstances / additional information

Ralph Fowler's current available Lifetime Allowance is 89.56%.

CASE STUDY DETAILS**XYZ SCHEME****DEATHS PART 1
QUESTION 4****Event history**

Date of first event **15/06/2019** First event **RETIREMENT**
Date of second event **03/03/2021** Second event **DEATH**

Member details

Surname **DEBYE** Forenames **PETER**
Date of birth **15/06/1954** Gender **MALE**
Spouse's date of birth **23/11/1952**
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

2012	2013	2014	2015	2016	2017	2018	2019	2020

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

Pension in payment at date of second event is £6,118.68 per annum.

Lower of 5.0% / RPI increases from date of first event to date of second event is 2.6%.

On retirement, Peter Debye commuted £3,388.32 per annum of pension in return for a tax-free cash sum of £46,758.82.

Peter Debye's current available Lifetime Allowance is 81.30%.

CASE STUDY DETAILS**RST SCHEME****DEATHS PART 1
QUESTION 5****Event history**

Date of first event **01/03/2021** First event **DEATH**
Date of second event Second event

Member details

Surname **COMPTON** Forenames **ALICE**
Date of birth **11/01/1968** Gender **FEMALE**
Spouse's date of birth **29/06/1956**
Dependent child's date of birth
Date of joining company **01/01/1990**
Date of joining scheme **06/04/1990**

Earnings history for the scheme year ending 5 April

2012	2013	2014	2015	2016	2017	2018	2019	2020
45,986	48,300	54,980	55,265	56,300	72,950	71,200	70,360	69,311

Contribution history

Total member's normal contributions **£ 85,529.20**
Total member's AVCs **£**
Current value of AVCs **£**
Single life AVC pension (per annum) payable immediately **£**
Joint life AVC pension (per annum) payable immediately **£**

Pre 6 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ 11,937.92

Post 5 April 2006 pension accrued as at 5 April 2020

CARE pension (per annum) £ 11,052.57

Special circumstances / additional information

Contractual Salary at date of first event £ 68,520.00

Pro-rata CPI from 6 April 2020 to date of first event is 1.80%.

Alice Compton's current available Lifetime Allowance is 100.00%.