



# VOCATIONAL QUALIFICATIONS

## DEATHS PART 2

### DEATH BENEFITS WITH SPECIAL CIRCUMSTANCES

**WEDNESDAY 11 SEPTEMBER 2019      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. 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. **CAROL GREENWOOD – (RST)**
2. **ROBERT BLAND – (RST)**
3. **STIG BERGE – (OPQ)**
4. **LUCY MURIGI – (XYZ)**
5. **ANGELA MUDGE – (XYZ)**

### Section B

6. Write a letter explaining the benefits payable and the options available in respect of **CAROL GREENWOOD**.

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”.



**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) £

**Special circumstances / additional information**

Pension in payment at date of second event is £10,601.88 per annum, which is split as follows:

- Pre 6 April 2006 pension (per annum) £
- Post 5 April 2006 pension (per annum) £ **10,601.88**

Lower of 5.0% / RPI increases from date of first event to date of second event is 6.5%.

Lower of 2.5% / RPI increases from date of first event to date of second event is 6.0%.

On retirement, Carol Greenwood commuted £5,099.80 per annum of pension in return for a tax-free cash sum of £75,273.03. The commuted pension was split as follows:

- Pre 6 April 2006 pension (per annum) £ **1,921.39**
- Post 5 April 2006 pension (per annum) £ **3,178.41**

At the date of the first event, the Company (with the consent of the Trustees) agreed that the spouse's pension percentage on death after retirement would be augmented to 60.00% for all Pensionable Service from 1 January 2004. The Pre 6 April 2006 commuted pension above includes a pension of £1,638.12 per annum in respect of Pensionable Service before 1 January 2004.

Carol Greenwood's current available Lifetime Allowance is 100.00%.

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

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

Date of first event    **31/12/1999**                      First event    **PRESERVED LEAVER**  
Date of second event    **25/08/2019**                      Second event    **DEATH**

**Member details**

Surname                      **BLAND**                      Forenames    **ROBERT**  
Date of birth                      **14/07/1967**                      Gender        **MALE**  
Spouse's date of birth                      **08/02/1956**  
Dependent child's date of birth  
Date of joining company                      **15/02/1995**  
Date of joining scheme                      **06/04/1995**

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

2011	2012	2013	2014	2015	2016	2017	2018	2019

**Contribution history**

Total member's normal contributions                      **£ 6,826.94**  
Total member's AVCs                      **£ 926.53**  
Current value of AVCs                      **£ 1,278.15**  
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 2019**

CARE pension (per annum) £

**Post 5 April 2006 pension accrued as at 5 April 2019**

CARE pension (per annum) £

**Special circumstances / additional information**

Pre 6 April 2006 preserved pension (per annum) at date of first event £ 2,188.66

Post 5 April 2006 preserved pension (per annum) at date of first event £

Lower of 5.0% / CPI from date of first event to date of second event is 48.7%.

Robert Bland's current available Lifetime Allowance is 52.91%.



## 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	38,936.5943	62,298.5629	

### Investment Fund Unit Prices

<b>Fund</b>	<b>Current Unit Price (£)</b>
Global Equity Fund	5.324
Index Linked Bond Fund	1.406
Balanced Fund	4.511
Corporate Bond Fund	1.545
Cash Fund	1.159

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

On 4 May 2001, Stig Berge transferred in to the OPQ Retirement & Death Benefits Plan his non-contracted-out benefits from the registered pension scheme of one of his previous employers. The value of the transferred-in benefits amounted to £700,603.28.

The transfer in, which is not included in Stig Berge's Personal Retirement Account detailed above, is currently invested as follows:

- Balanced Fund (Member): 45,971.7409 Units
- Balanced Fund (Employer): 101,543.4819 Units

Stig Berge's current available Lifetime Allowance is 100.00%.



**CASE STUDY DETAILS**

**XYZ SCHEME**

**DEATHS PART 2  
QUESTION 4**

**Event history**

Date of first event **01/09/2019** First event **DEATH**  
 Date of second event Second event

**Member details**

Surname **MURIGI** Forenames **LUCY**  
 Date of birth **11/02/1952** Gender **FEMALE**  
 Spouse's date of birth **05/12/1964**  
 Dependent child's date of birth  
 Date of joining company **16/03/1984**  
 Date of joining scheme **16/03/1985**  
 Category of membership **A**

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

2011	2012	2013	2014	2015	2016	2017	2018	2019
79,255	83,600	85,950	88,300	82,115	83,950	82,160	80,955	79,260

**Contribution history**

Total member's normal contributions **£ 126,086.13**  
 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) £ 1,590.68

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

Salary at date of first event £ 81,255.00

Lucy Murigi paid the default contribution rate (70ths accrual) from the date she joined the XYZ Pension and Life Assurance Scheme until 5 April 1995, inclusive.

From 6 April 1995, Lucy Murigi varied her contribution rate to build up the following rates of pension accrual:

- 6 April 1995 to 5 April 2004 = 80ths
- 6 April 2004 to 5 April 2010 = 70ths
- 6 April 2010 onwards = 60ths

Lucy Murigi's current available Lifetime Allowance is 100.00%.

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

Date of first event      **30/08/2019**                      First event      **DEATH**  
Date of second event                                      Second event

**Member details**

Surname                      **MUDGE**                      Forenames      **ANGELA**  
Date of birth                      **16/04/1978**                      Gender              **FEMALE**  
Spouse's date of birth                                      **06/09/1980**  
Dependent child's date of birth                                      **14/02/2002**  
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**

<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>2019</b>
<b>28,800</b>	<b>29,350</b>	<b>29,450</b>	<b>28,600</b>	<b>32,155</b>	<b>33,100</b>	<b>34,599</b>	<b>35,620</b>	<b>36,100</b>

**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**

Salary at date of first event £ **36,010.00**

Angela Mudge's Final Pensionable Salary at 3 July 2011 was £28,800.00.

Lower of 5.0% / RPI increases from 4 July 2011 to date of first event is 26.3%.

Angela Mudge worked full time (5 days a week) from the date she joined the Company until 13 December 2003, inclusive. From 14 December 2003, Angela Mudge varied her working week as follows:

- 14 December 2003 to 3 September 2005 = 2.5 days a week
- 4 September 2005 to 31 August 2007 = 4.0 days a week
- 1 September 2007 onwards = 5.0 days a week

Angela Mudge's current available Lifetime Allowance is 92.10%.