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# VOCATIONAL QUALIFICATIONS

## RETIREMENTS PART 1

### RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

**MONDAY 9 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 questions 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. **STEPHEN HOUGHTON – (XYZ)**
2. **KIRADECH CHINWONG – (RST)**
3. **DANIEL GREENWOOD – (OPQ)**
4. **WARRAPON SONG-NGEON – (XYZ)**
5. **ANNITA RODDAR – (RST)**

### Section B

6. Write a letter explaining the benefits payable and the options available to **STEPHEN HOUGHTON**.

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”.



**Contracting-out details at date of first event**

Pre 06/04/1988

GMP (per annum) £

Post 05/04/1988

GMP (per annum) £ **1,062.88**

**Special circumstances / additional information**

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

Stephen Houghton's current available Lifetime Allowance is 100.00%.

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

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

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

Date of second event    Second event

**Member details**

Surname                      **CHINWONG**                      Forenames      **KIRADECH**

Date of birth                      **03/09/1954**                      Gender              **MALE**

Spouse's date of birth    **17/09/1963**

Dependent child's date of birth

Date of joining company    **08/09/2002**

Date of joining scheme    **06/04/2003**

**Earnings history for the scheme year ending 5 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>24,250</b>	<b>25,450</b>	<b>26,500</b>	<b>28,500</b>	<b>30,950</b>	<b>32,500</b>	<b>34,000</b>	<b>35,650</b>	<b>37,750</b>

**Contribution history**

Total member's normal contributions    **£ 15,684.92**

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 2019**

CARE pension (per annum) £ 1,374.62

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

CARE pension (per annum) £ 7,735.30

**Special circumstances / additional information**

Contractual Salary at date of first event £ 44,522.00

Pro-rata CPI from 6 April 2019 to date of first event is 1.40%.

Kiradech Chinwong's current available Lifetime Allowance is 100.00%.

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

Date of first event      **08/09/2019**                      First event      **RETIREMENT**

Date of second event    Second event

**Member details**

Surname                      **GREENWOOD**                      Forenames      **DANIEL**

Date of birth                      **01/03/1947**                      Gender              **MALE**

Spouse's date of birth    **04/02/1950**

Dependent child's date of birth

Date of joining company    **04/03/2000**

Date of joining plan    **04/03/2000**

Target retirement date

**Annual salary history for the plan 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>54,450</b>	<b>56,000</b>	<b>58,750</b>	<b>60,000</b>	<b>62,500</b>	<b>64,250</b>	<b>66,100</b>	<b>68,500</b>	<b>70,800</b>

**Contribution history**

Total member's normal contributions    **£ 34,752.98**

Total employer's normal contributions    **£ 55,389.70**

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	8,141.9850	13,025.6020	
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund	12,420.0380	19,872.0800	
Cash Fund	19,889.6050	31,869.0700	
Lifestyle Fund			

### 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**

Daniel Greenwood has requested a quotation assuming he takes 15.00% of the overall value of his Personal Retirement Account as a tax-free cash sum, with the balance being used to purchase a joint-life pension. Daniel Greenwood 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 2.5% / RPI

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

Daniel Greenwood's current available Lifetime Allowance is 68.91%.





**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**

Preserved pension (per annum) at date of first event £ 7,439.82

Lower of 5.0% / RPI increases from date of first event to date of second event is 28.6%.

Warrapon Song-Ngeon's current available Lifetime Allowance is 74.13%.



**Pre 6 April 2006 pension accrued as at 5 April 2019**

CARE pension (per annum) £ 601.42

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

CARE pension (per annum) £ 6,125.04

**Special circumstances / additional information**

Contractual Salary at date of first event £ 50,000.00

Pro-rata CPI from 6 April 2019 to date of first event is 1.40%.

Annita Roddar's current available Lifetime Allowance is 100.00%.