



**Pensions
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Moving pensions forward

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VOCATIONAL QUALIFICATIONS

DEATHS PART 1

DEATH BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

TUESDAY 4 SEPTEMBER 2018

2.00 PM – 4.30 PM

TIME ALLOWED:

2 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. 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. **PATRICK ADAMS – (XYZ)**
2. **JACK BROOKSBANK – (RST)**
3. **CHELSY BONAS – (RST)**
4. **IGNACIO FIGUERAS – (OPQ)**
5. **SERENA NONU – (XYZ)**

Section B

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

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 **26/08/2018** First event **DEATH**
Date of second event Second event

Member details

Surname **ADAMS** Forenames **PATRICK**
Date of birth **18/07/1946** Gender **MALE**
Spouse's date of birth
Dependent child's date of birth **01/03/2001**
Date of joining company **16/08/1992**
Date of joining scheme **16/09/1992**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
81,700	82,000	83,500	88,960	87,555	90,100	92,850	98,665	99,100

Contribution history

Total member's normal contributions **£ 88,158.00**
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) £ 887.12

Special circumstances / additional information

Salary at date of first event £ 105,600.00

Final Pensionable Salary at Normal Pension Date £ 82,000.00

Patrick Adams paid the default contribution rate (70ths accrual) from the date he joined the XYZ Pension and Life Assurance Scheme.

Patrick Adams' current available Lifetime Allowance is 71.92%.

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

Date of first event **02/09/2018** First event **DEATH**
Date of second event Second event

Member details

Surname **BROOKSBANK** Forenames **JACK**
Date of birth **27/11/1951** Gender **MALE**
Spouse's date of birth **01/04/1962**
Dependent child's date of birth
Date of joining company **15/02/1996**
Date of joining scheme **06/04/1996**

Earnings history for the scheme year ending 5 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
41,950	42,662	38,559	40,100	42,995	44,300	38,668	39,100	37,998

Contribution history

Total member's normal contributions **£ 51,014.26**
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 2018

CARE pension (per annum) £ 4,953.70

Post 5 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £ 7,457.96

Special circumstances / additional information

Contractual Salary at date of first event £ 35,500.00

Pro-rata CPI from 6 April 2018 to date of first event is 1.20%.

Jack Brooksbank'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 3****Event history**

Date of first event **04/09/2018** First event **DEATH**
 Date of second event Second event

Member details

Surname **BONAS** Forenames **CHELSY**
 Date of birth **18/06/1972** Gender **FEMALE**
 Spouse's date of birth **05/01/1961**
 Dependent child's date of birth
 Date of joining company **15/09/2001**
 Date of joining scheme **06/04/2002**

Earnings history for the scheme year ending 5 April

2010	2011	2012	2013	2014	2015	2016	2017	2018
62,100	63,800	64,992	65,158	67,950	69,554	70,112	71,562	75,401

Contribution history

Total member's normal contributions **£ 82,061.81**
 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 2018

CARE pension (per annum) £ 7,962.21

Post 5 April 2006 pension accrued as at 5 April 2018

CARE pension (per annum) £ 11,972.98

Special circumstances / additional information

Contractual Salary at date of first event £ 75,000.00

Pro-rata CPI from 6 April 2018 to date of first event is 1.20%.

Chelsy Bonas' current available Lifetime Allowance is 100.00%.

CASE STUDY DETAILS**OPQ PLAN****DEATHS PART 1
QUESTION 4****Event history**

Date of first event **30/11/2006** First event **PRESERVED LEAVER**
Date of second event **01/09/2018** Second event **DEATH**

Member details

Surname **FIGUERAS** Forenames **IGNACIO**
Date of birth **17/07/1955** Gender **MALE**
Spouse's date of birth **21/09/1960**
Dependent child's date of birth
Date of joining company **01/08/1995**
Date of joining plan **01/08/1995**
Target retirement date **17/07/2022**

Annual salary history for the plan year commencing 6 April

2010	2011	2012	2013	2014	2015	2016	2017	2018

Contribution history

Total member's normal contributions **£ 23,379.45**
Total employer's normal contributions **£ 37,407.12**
Total member's AVCs **£**

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			
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	19,522.4437	31,235.8911	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.321
Index Linked Bond Fund	1.360
Balanced Fund	4.459
Corporate Bond Fund	1.543
Cash Fund	1.155

Special circumstances / additional information

Ignacio Figueras' current available Lifetime Allowance is 91.55%.

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

Date of first event **28/06/2015** First event **RETIREMENT**
Date of second event **17/08/2018** Second event **DEATH**

Member details

Surname **NONU** Forenames **SERENA**
Date of birth **26/06/1950** Gender **FEMALE**
Spouse's date of birth **12/11/1963**
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

2010	2011	2012	2013	2014	2015	2016	2017	2018

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 £7,000.92 per annum.

Lower of 5.0% / RPI increases from date of first event to date of second event is 6.8%.

On retirement, Serena Nonu commuted £3,723.48 per annum of pension in return for a tax-free cash sum of £51,384.02.

Serena Nonu's current available Lifetime Allowance is 79.45%.