



VOCATIONAL QUALIFICATIONS

RETIREMENTS PART 1

RETIREMENT BENEFITS WITHOUT SPECIAL CIRCUMSTANCES

TUESDAY 8 SEPTEMBER 2020

1.30 PM – 5.00 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. 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. **SIMON ASPINALL – (RST)**
2. **ASSAM ASADA – (OPQ)**
3. **CLIVE SHERROCK – (XYZ)**
4. **CHRISTIANA DE ZWAAN – (RST)**
5. **MIA RATAJSKI – (XYZ)**

Section B

6. Write a letter explaining the benefits payable and the options available to **SIMON ASPINALL**.

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**RST SCHEME****RETIREMENTS PART 1
QUESTION 1****Event history**

Date of first event **30/03/2020** First event **RETIREMENT**

Date of second event Second event

Member details

Surname **ASPINALL** Forenames **SIMON**

Date of birth **08/02/1956** Gender **MALE**

Spouse's date of birth **01/04/1966**

Dependent child's date of birth

Date of joining company **09/04/1992**

Date of joining scheme **06/04/1993**

Earnings history for the scheme year ending 5 April

2011	2012	2013	2014	2015	2016	2017	2018	2019
34,500	36,500	39,000	42,750	45,000	47,200	49,750	52,000	55,375

Contribution history

Total member's normal contributions **£ 44,259.82**

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) £ 7,135.06

Post 5 April 2006 pension accrued as at 5 April 2019

CARE pension (per annum) £ 9,008.98

Special circumstances / additional information

Contractual Salary at date of first event £ 59,500.00

Pro-rata CPI from 6 April 2019 to date of first event is 3.10%.

Simon Aspinall's current available Lifetime Allowance is 100.00%.

THIS QUESTION ALSO REQUIRES A LETTER (QUESTION 6)

CASE STUDY DETAILS**OPQ PLAN****RETIREMENTS PART 1
QUESTION 2****Event history**

Date of first event **24/10/2014** First event **PRESERVED LEAVER**
Date of second event **26/03/2020** Second event **RETIREMENT**

Member details

Surname **ASADA** Forenames **ASSAM**
Date of birth **01/10/1960** Gender **MALE**
Spouse's date of birth **01/04/1962**
Dependent child's date of birth
Date of joining company **04/02/1998**
Date of joining plan **04/02/1998**
Target retirement date **01/10/2023**

Annual salary history for the plan year commencing 6 April

2011	2012	2013	2014	2015	2016	2017	2018	2019

Contribution history

Total member's normal contributions **£ 59,842.16**
Total employer's normal contributions **£ 95,862.14**
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	21,994.6805	35,372.7424	

Investment Fund Unit Prices

Fund	Current Unit Price (£)
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

Assam Asada has requested a quotation assuming he uses the overall value of his Personal Retirement Account to take the maximum tax-free cash sum available to him, with the balance being used to purchase a joint-life annuity. Assam Asada has requested quotations using the "Annuity Bureau" factors for the following joint-life annuity options:

- a) Non-increasing
- b) Increasing annually at the lower of 5.0% / RPI

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

Assam Asada's current available Lifetime Allowance is 60.15%.

CASE STUDY DETAILS**XYZ SCHEME****RETIREMENTS PART 1
QUESTION 3****Event history**

Date of first event **29/03/2020** First event **RETIREMENT**
Date of second event Second event

Member details

Surname **SHERROCK** Forenames **CLIVE**
Date of birth **12/06/1952** Gender **MALE**
Spouse's date of birth **04/12/1965**
Dependent child's date of birth
Date of joining company **30/05/1987**
Date of joining scheme **30/06/1987**
Category of membership **A**

Pensionable salary history for the scheme year commencing 6 April

2011	2012	2013	2014	2015	2016	2017	2018	2019
52,500	54,050	56,250	58,400	60,250	63,500	65,890	66,890	67,500

Contribution history

Total member's normal contributions **£ 23,374.75**
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)	£	158.60
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Post 05/04/1988

GMP (per annum)	£	4,916.60
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Special circumstances / additional information

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

Clive Sherrock's current available Lifetime Allowance is 89.50%.

CASE STUDY DETAILS**RST SCHEME****RETIREMENTS PART 1
QUESTION 4****Event history**

Date of first event **27/03/2020** First event **RETIREMENT**
Date of second event Second event

Member details

Surname **DE ZWAAN** Forenames **CHRISTIANA**
Date of birth **27/03/1955** Gender **FEMALE**
Spouse's date of birth **08/09/1950**
Dependent child's date of birth
Date of joining company **11/12/2004**
Date of joining scheme **06/04/2005**

Earnings history for the scheme year ending 5 April

2011	2012	2013	2014	2015	2016	2017	2018	2019
33,500	36,000	38,000	40,000	41,200	43,500	45,500	47,000	48,000

Contribution history

Total member's normal contributions **£ 14,982.06**
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) £ 347.20

Post 5 April 2006 pension accrued as at 5 April 2019

CARE pension (per annum) £ 6,387.19

Special circumstances / additional information

Contractual Salary at date of first event £ 54,900.00

Pro-rata CPI from 6 April 2019 to date of first event is 3.10%.

Christiana de Zwaan's current available Lifetime Allowance is 100.00%.

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

Date of first event **01/04/2020** First event **ILL-HEALTH RETIREMENT**
Date of second event Second event

Member details

Surname **RATAJSKI** Forenames **MIA**
Date of birth **02/05/1962** Gender **FEMALE**
Spouse's date of birth **04/02/1950**
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

2011	2012	2013	2014	2015	2016	2017	2018	2019
42,000	44,200	45,900	48,300	50,400	52,250	54,180	56,000	57,500

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

Mia Ratajski's Final Pensionable Salary at 3 July 2011 was £42,000.00.

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

Mia Ratajski's current available Lifetime Allowance is 100.00%.