



**Pensions
Management
Institute**
Moving pensions forward

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VOCATIONAL QUALIFICATIONS

TRANSFERS IN AND TRANSFERS OUT

THURSDAY 14 MARCH 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 question on a new page.
4. Show all workings clearly.
5. Calculate the benefits using only the information given.
6. 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 transfer values of the benefits accrued by:

1. **JAMES CHOUDHURY – (RST)**
2. **MEHMET GHEZZAL – (OPQ)**
3. **BROOKE MORGAN – (XYZ)**

Calculate the benefits that can be provided by the transfer values received under the relevant scheme / plan for:

4. **THOMAS VARDY – (RST)**
5. **GABRIELLE WRIGHT – (OPQ)**
6. **SAMANTHA BARKER – (XYZ)**

Section B

7. Write a letter concerning **BROOKE MORGAN** explaining the transfer out alternative and providing information as appropriate.

The letter may be addressed either to the member or to the Trustees or to the receiving scheme / insurance company (whichever is the normal practice in the organisation for which you work).

8. Write a letter concerning **GABRIELLE WRIGHT** explaining the benefits available in exchange for the transfer value and providing information as appropriate.

The letter may be addressed 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****TRANS
FERS
QUESTION 1****Event history**

Date of first event	12/01/2019	First event	PRESERVED LEAVER
Date of second event	12/03/2019	Second event	TRANSFER OUT

Member details

Surname	CHOUDHURY	Forenames	JAMES
Date of birth	07/01/1969	Gender	MALE
Spouse's date of birth	12/10/1973		
Dependent child's date of birth			
Date of joining company	03/09/1991		
Date of joining scheme	06/04/1992		

Contribution history

Total member's normal contributions	£	20,915.88
Post 05/04/1997 member's normal contributions	£	17,004.61
Total member's AVCs	£	9,129.53
Current value of AVCs	£	10,591.22

Preserved benefits

Member's total pension at age 65 (per annum): £ 22,463.22

Including:

- Member's pension earned between 06/04/1997 and 05/04/2006 at age 65 (per annum) £ 7,551.24
- Member's pension earned from 06/04/2006 at age 65 (per annum) £ 10,716.53

Special circumstances / additional information

Spouse's pension on death after retirement (per annum) £ 8,985.29

Adjustment factor 0.99

CASE STUDY DETAILS**OPQ PLAN****TRANSFERS
QUESTION 2****Event history**

Date of first event	17/12/2018	First event	PRESERVED LEAVER
Date of second event	13/03/2019	Second event	TRANSFER OUT

Member details

Surname	GHEZZAL	Forenames	MEHMET
Date of birth	03/10/1960	Gender	MALE
Spouse's date of birth	24/07/1969		
Dependent child's date of birth			
Date of joining company	07/08/2004		
Date of joining plan	07/08/2004		
Target retirement date	03/10/2020		

Contribution history

Total member's normal contributions	£	8,955.34
Total employer's normal contributions	£	14,328.54
Total member's AVCs	£	4,999.22

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	695.3214	1,112.5142	324.3399
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	3,534.2211	5,654.7538	1,479.2234

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.213
Index Linked Bond Fund	1.309
Balanced Fund	4.328
Corporate Bond Fund	1.522
Cash Fund	1.019

Special circumstances / additional information

CASE STUDY DETAILS**XYZ SCHEME****TRANS
FERS
QUESTION 3****Event history**

Date of first event **17/05/2017** First event **PRESERVED LEAVER**
Date of second event **14/03/2019** Second event **TRANSFER OUT**

Member details

Surname **MORGAN** Forenames **BROOKE**
Date of birth **09/09/1966** Gender **FEMALE**
Spouse's date of birth **12/01/1964**
Dependent child's date of birth
Date of joining company **07/02/1992**
Date of joining scheme **07/03/1992**
Category of membership **A**

Contribution history

Total member's normal contributions	£	19,423.55
Post 05/04/1997 member's normal contributions	£	15,538.84
Total member's AVCs	£	10,994.88
Current value of AVCs	£	11,792.33

Preserved benefits

Member's total pension at age 65 (per annum)	£	17,212.33
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Including:

- | | | |
|---|---|------------------|
| • Post 05/04/1997 pension at age 65 (per annum) | £ | 13,769.86 |
| • Pre 06/04/1988 GMP at age 65 (per annum) | £ | |
| • Post 05/04/1988 GMP at age 65 (per annum) | £ | 379.08 |
| • Total GMP at exit (per annum) | £ | 234.00 |

Special circumstances / additional information

Spouse's pension on death after retirement (per annum)	£	8,606.17
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Adjustment factor		0.98
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THIS ANSWER ALSO REQUIRES A LETTER (QUESTION 7)

CASE STUDY DETAILS**RST SCHEME****TRANSFERS
QUESTION 4****Event history**

Date of first event	10/03/2019	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	VARDY	Forenames	THOMAS
Date of birth	03/05/1975	Gender	MALE
Spouse's date of birth	12/01/1980		
Dependent child's date of birth			
Date of joining company	12/09/2017		
Date of joining scheme	06/04/2018		

Contribution history

Total member's normal contributions	£	2,001.01
Total member's AVC	£	
Current value of AVCs	£	

Preserved benefits from previous scheme

Pension payable at age 65 (per annum)	£	12,915.44
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Transfer value details from previous scheme

Member's total transfer value	£	37,009.34
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Including:

- | | | |
|---|---|------------------|
| • Member's total contributions | £ | 18,884.11 |
| • Transfer value in respect of post 05/04/1997 benefits | £ | 35,243.99 |
| • Member's post 05/04/1997 contributions | £ | 17,983.38 |
| • Transfer value in respect of post 05/04/2006 benefits | £ | 19,385.49 |
| • Member's post 05/04/2006 contributions | £ | 9,891.50 |

Special circumstances / additional information

Thomas Vardy is considering transferring in his benefits from the registered Defined Benefit arrangement of his previous employer.

Adjustment factor		0.99
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CASE STUDY DETAILS**OPQ PLAN****TRANSFERS
QUESTION 5****Event history**

Date of first event	12/03/2019	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	WRIGHT	Forenames	GABRIELLE
Date of birth	13/04/1962	Gender	FEMALE

Spouse's date of birth

Dependent child's date of birth

Date of joining company **07/09/2018**Date of joining plan **07/09/2018**Target retirement date **13/04/2022****Contribution history**

Total member's normal contributions	£	979.88
Total employer's normal contributions	£	1,567.81
Total member's AVCs	£	445.26

Personal Retirement Account details

Member's Current Unit Investment Choices

Fund	Member's normal contributions	Employer's normal contributions	Member's AVCs
	Allocation (%)	Allocation (%)	Allocation (%)
Global Equity Fund			
Index Linked Bond Fund			
Balanced Fund			
Corporate Bond Fund			
Cash Fund			
Lifestyle Fund	100.00	100.00	100.00

Investment Fund Unit Prices

Fund	Current Unit Price (£)
Global Equity Fund	5.217
Index Linked Bond Fund	1.309
Balanced Fund	4.330
Corporate Bond Fund	1.522
Cash Fund	1.018

Transfer value details from previous scheme

Member's total transfer value (including AVCs) £ **18,191.77**

Including:

- Current value of member's contributions £ **9,399.22**
- Current value of AVCs £ **7,122.33**

Special circumstances / additional information

Following Gabrielle Wright's written authority to proceed, the transfer in of her benefits from the registered Defined Contribution arrangement of her previous employer took place on 12 March 2019. The transfer in was allocated in accordance with Gabrielle Wright's current investment choices and was based on the Investment Fund Unit Prices detailed above.

THIS ANSWER ALSO REQUIRES A LETTER (QUESTION 8)

**TRANSFERS
QUESTION 5**

CASE STUDY DETAILS**XYZ SCHEME****TRANSFERS
QUESTION 6****Event history**

Date of first event	13/03/2019	First event	TRANSFER IN
Date of second event		Second event	

Member details

Surname	BARKER	Forenames	SAMANTHA
Date of birth	05/04/1965	Gender	FEMALE
Spouse's date of birth	09/09/1962		
Child dependent's date of birth			
Date of joining company	12/11/2018		
Date of joining scheme	12/12/2018		
Category of membership	A		

Contribution history

Total member's normal contributions	£	467.45
Total member's AVCs	£	
Current value of AVCs	£	

Preserved benefits from previous scheme

Pension payable at age 65 (per annum)	£	11,359.22
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Including:

- | | | |
|---|---|---------------|
| • Pre 06/04/1988 GMP at age 65 (per annum) | £ | |
| • Post 05/04/1988 GMP at age 65 (per annum) | £ | 448.24 |
| • GMP at exit (per annum) | £ | 296.40 |

Transfer value details from previous scheme

Member's total transfer value (including GMP liability)	£	25,114.22
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Including:

- | | | |
|---|---|------------------|
| • Member's total contributions | £ | 10,119.22 |
| • Transfer value in respect of post 05/04/1997 benefits | £ | 16,324.24 |
| • Member's post 05/04/1997 contributions | £ | 6,577.49 |

Special circumstances / additional information

Samantha Barker is considering transferring in her benefits from the registered Defined Benefit arrangement of her previous employer.

Adjustment factor	0.98
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